Daily Report

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Bosnian Peace Talks Continue in Geneva

Croatian, Bosnian Delegations Meet

AU2807091593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0800 GMT 28 Jul 93

[Report by Nada al-Isa from Geneva]

[Text] Talks between the delegation of the Republic of Croatia and Bosnia-Herzegovina have begun in the Palace of Nations in Geneva. The delegations are headed by Franjo Tudjman, president of the Republic of Croatia, and Alija Izetbegovic, president of the Presidency of Bosnia-Herzegovina. The talks are also attended by Mate Boban, chairman of the Croatian community of Herceg-Bosna. Both in the Croatian and the Bosnia-Herzegovina delegation [word indistinct] opinion that Croatia and Bosnia-Herzegovina will coordinate stands, but members of the Presidency are apprehensive about the meeting with the Serbian delegation, which includes Slobodan Milosevic and Radovan Karadzic. As is already known, Karadzic persistently insists on three national republics in Bosnia-Herzegovina, something that Presidency members cannot accept.

Milosevic Meets With Bartholomew

AU2807093393 Belgrade Radio Beograd Network in Serbo-Croatian 0900 GMT 28 Jul 93

[Text] Serbian President Slobodan Milosevic has met special U.S. Envoy Reginald Bartholomew in the Palace of Nations in Geneva. As has been learned in the circles close to the Serbian delegation, the talks are very substantive.

The talks between the delegation of the Presidency of the former Bosnia-Herzegovina, led by Alija Izetbegovic, and Croatian President Franjo Tudjman and Mate Boban, leader of the Bosnian Croats, are also underway.

A meeting between Alija Izetbegovic and his delegation with Serbian President Slobodan Milosevic, Montenegrin President Momir Bulatovic, and Radovan Karadzic, president of the republic of Srpska, is scheduled for 1130 [0930 GMT].

Izetbegovic: Talks 'Going Well'

AU2707185693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 27 Jul 93

[Report by Nada al-Isa from Geneva]

[Text] The first talks in Geneva on Bosnia-Herzegovina are going well toward reaching a final solution to the crisis, President Alija Izetbegovic of the Bosnia-Herzegovina Presidency said diplomatically after talks with the international cochairmen. The president's diplomatic statement was later elaborated for us by other members of the Presidency.

Both proposals, the Bosnia-Herzegovina federal one and the Serbo-Croatian confederal one, are on the negotiating table in Geneva. The Bosnia-Herzegovina Presidency delegation members have initially criticized Lord Owen and Thorvald Stoltenberg for being more inclined toward the Serbo-Croatian proposal for a confederation. However, Lord Owen replied that he supported the London conference, the Security Council resolutions, and the views of the EC on Bosnia-Herzegovina. Still, one should point out that this was Lord Owen's response to the direct question as to whether he was still in favor of the basic principles of the London conference on Bosnia-Herzegovina. As we have just said, Lord Owen gave a positive reply, and that positive reply means that the international cochairmen support an independent and indivisible Bosnia-Herzegovina within its sovereign and internationally recognized borders. The Bosnia-Herzegovina delegation was visibly relieved after that, and it was in this context that President Izetbegovic said that the talks were going well.

Today's talks between the Bosnia-Herzegovina Presidency members and Lord Owen and Thorvald Stoltenberg were joined, after a longer period of absence, by Finnish diplomat Marti Atisaari, member of the peace conference on the former Yugoslavia, and chairman of the group for Bosnia-Herzegovina. In response to the proposal by Presidency member Mirko Pejanovic that Bosnia-Herzegovina should be placed under an international protectorate, Atisaari said that he had nothing against this in principle but that, according to him, it would be as hard to implement as the internal organization of Bosnia-Herzegovina. Atisaari said that is because the agreement of all three sides in Bosnia-Herzegovina would be needed.

All the Bosnia-Herzegovina Presidency members stress their satisfaction with the agreement reached at today's talks with Lord Owen that all the refugees should return, but not under coercion, to their homes, as that would imply peace—that is, the end of the war in Bosnia-Herzegovina.

Karadzic: Talks 'Encouraging'

LD2707224893 Belgrade TANJUG in English 2226 GMT 27 Jul 93

[Text] Geneva, July 27 (TANJUG)—President of the Serbian Republic Radovan Karadzic said on Tuesday evening [27 July] that the beginning of the Geneva talks on the former Yugoslav Republic of Bosnia-Herzegovina was encouraging and that it seemed to him that all sides were interested in a solution being found.

I believe that all sides would be rehabilitated if they showed a desire for a solution to be found, and we are prepared to do much for this to happen, the Bosnian Serb leader told reporters after a joint session of the heads of the delegations to the Bosnia-Herzegovina peace talks.

Delegations of the three warring sides in Bosnia-Herzegovina—Moslems, Serbs and Croats, the Yugoslav Republics of Serbia and Montenegro and the former Yugoslav Republic of Croatia are taking part in the talks. However, Karadzic said that he was certain that things could not be finished so quickly because many delicate questions were on the agenda.

Commenting the accusations aimed at the Serbian side that their artillery units had shelled an UNPROFOR [UN Protection Force] base in Sarajevo on Sunday, Karadzic said that they were conducting an investigation which has shown that the Serbs were not responsible for the attack. He added that the Serbian side would be very rigorous and that it would in every such incident ask for an international group of experts and for the results of the investigation to be made public.

Bosnian Moslems, but also United Nations (U.N.) Secretary-General Butrus Butrus-Ghali accused Bosnian Serbs of shelling the UNPROFOR base on Sunday, which they denied, saying that the Bosnian Moslems were to blame. The UNPROFOR on Monday accepted a proposal by Bosnian Serbs that the two sides form an expert group to establish the facts about this incident.

Karadzic said that the incident had not been mentioned during the talks because it was a matter which concerned only the U.N. members.

Milosevic Optimistic

AU2707200093 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 27 Jul 93

[Report by Zoran Jevdjovic]

[Excerpt] [passage omitted]

[Jevdjovic] After a several-hour long dialogue that took place this morning, President Milosevic left the Palace of Nations, and, just like on other similar occasions, he was the center of media attention. After the conclusion of the morning round of talks, he briefly told reporters:

[Begin Milosevic recording with superimposed Serbo-Croatian translation] We just exchanged views and we will hold a meeting at six o'clock this evening. All the delegation heads.

[Unidentified correspondent] Are you optimistic Mr. Milosevic?

[Milosevic] I am. I believe that all conditions for peace have been met.

[Unidentified correspondent] Will Bosnia still exist?

[Milosevic] I believe as a confederation of three peoples. [end Milosevic recording]

[Jevdjovic] Following this, the president of the republic of Srpska held a longish meeting with the Russian envoy Vitaliy Churkin. The talks were held within Russian efforts to contribute to finding a solution, and to the success of the Geneva meeting. It is probable that Moscow wants to strike back [parirati] at initiatives that come from the West.

It is important to mention that the Muslim leader Alija Izetbegovic also held quite dynamic talks in Geneva today. In the morning, and also in the afternoon, he held long talks in the Palace of Nations, with several representatives of the international community. It is, however, still unclear as to the results. With his presence, it seems today that the role of the Presidency of the former Bosnia-Herzegovina has been reduced to the least possible degree. It is very conspicuous that Fikret Abdic spent a much longer time talking in the Palace of Nations than Alija Izetbegovic, and that he left the Palace of Nations almost a whole hour after the Muslim leader's departure.

Finally, we have to say that the joint session of all delegation heads present here in Geneva with the representatives of the international community began about an hour and a half ago. This meeting should mark the crucial turnabout in the continuation of the talks, and it is a reason for certain optimism, because it is believed that in the morning's and partly in the afternoon's bilateral consultations, some results have been achieved, which is why all the delegation heads are meeting face to face.

Alija Izetbegovic is also attending. This is important because this was not known until this afternoon, practically until the beginning of the meeting, that is. President Tudjman is also attending. He was the last to arrive in Geneva, sometime after 1800 [1600 GMT]. The leader of the Bosnian Croats, Mate Boban, is also present.

Milosevic, Karadzic Discuss Expectations

AU2707140193 Belgrade Radio Beograd Network in Serbo-Croatian 1200 GMT 27 Jul 93

[Text] About noon, Slobodan Milosevic and Momir Bulatovic, presidents of Serbia and Montenegro respectively, arrived in Geneva for the talks on the former Bosnia-Herzegovina. Radovan Karadzic, president of the republic of Srpska has also arrived, while Alija Izetbegovic has been in Geneva since yesterday. Franjo Tudjman and Bosnian Croat leader Mate Boban are expected to arrive this afternoon.

Negotiations have begun with a series of bilateral meetings cochairmen Owen and Stoltenberg held with the participants in the Geneva summit. We have a report from Geneva by our special correspondent Dragan Colovic:

[Begin recording] [Colovic] Serbian President Slobodan Milosevic, together with Radovan Karadzic, president of the republic of Srpska, arrived at Geneva Airport somewhat before 1200. An airplane with Montenegrin President Momir Bulatovic on board had landed a few

minutes before that. This is what the three presidents told the journalists. First a statement by Serb President Slobodan Milosevic:

[Milosevic] According to my firm belief, as all the main conditions exist for an agreement that would make it possible for a lasting peace to be achieved, I expect these talks to attain a significant progress. They are really only going to achieve, however, a more serious progress in this round if they start discussing main issues, and, above all, these are the maps. If that question is discussed seriously, I am sure that we are going to have serious progress in this round.

It is obvious that the solution that is offered is fair for all three sides, and it is beyond doubt that, if progress is made on it in this round of negotiations, one can expect a quicker denouement in a positive direction, meaning, above all, ensuring peace as a basis for all other solutions. And all other solutions are much easier to achieve than this one. It is therefore important to begin discussing this main issue, the issue of maps.

[Colovic] Here is a statement by Montenegrin President Momir Bulatovic:

[Bulatovic] The most important thing is that we have nevertheless got together after so many postponements. I have always been optimistic, and today I am much more so than before. I hope that we are going to remain in Geneva until we reach an overall agreement that we all need so much.

[Colovic] Radovan Karadzic, president of the republic of Srpska, among other things, told journalists the following:

[Unnamed correspondent in English] (?What do you think) [words indistinct] are you feeling [words indistinct]?

[Karadzic in English fading into Colovic report] Well, unfortunately, I am not because the international community...

[Colovic] When asked whether he is optimistic at the beginning of the negotiations, Karadzic replied negatively and explained that the international community is not ready for peace. Some people are encouraging the Muslims to continue to fight; those are the Germans and certain individuals from the United States.

When asked whether he supports peace, Karadzic gave a positive answer saying that he supports peace and an immediate one at that. He supports a honorable solution for everybody.

[Karadzic] I do not think we are winners, nor do we want to be winners. The Muslims are not losers. What the Serbs and the Croats are asking for themselves should be recognized to Muslims as well, and that is to have their own state.

[Colovic] According to Karadzic, this is the last chance to ensure an honorable peace. Karadzic then said that he is ready to negotiate with the Muslims about the 30 percent of their territory which is, as he put it, the best developed part of the former Bosnia-Herzegovina. Finally, Radovan Karadzic reiterated that he is pessimistic about the outcome of the negotiations because of the Germans, who are encouraging Izetbegovic to wage war. As regards the Bosnia-Herzegovina Presidency proposal on a federal setup of the state, Karadzic said that this is out of the question and that it is a guise for a unitarian state. He believes that the conference will last two or three days and he will stay until its end.

As regards the recent incident—that is, the attack at the UNPROFOR military base in Sarajevo—Karadzic said the following:

[Karadzic] We all know that such [word indistinct] by the Muslim side are always happening before a conference. However, [words indistinct] investigation, and (?it is being) done by our army and UNPROFOR together. In any future incident, we are going to ask for a complete review to be done and for data to be published.

[Colovic] Sometime after 1200, the first bilateral meetings and talks began in the Palace of the Nations in Geneva. David Owen and Thorvald Stoltenberg, cochairmen of the international conference, first met Slobodan Milosevic, president of Serbia, and Radovan Karadzic, president of the republic of Srpska. Owen and Stoltenberg will meet President Clinton's special envoy Bartholomew at 1400. A meeting with Izetbegovic and members of the Presidency of the former Bosnia-Herzegovina, as well as other members of the delegation will take place at 1500. The meeting of the cochairmen of the international conference with Croatian President Franjo Tudjman is planned for 1800. [end recording]

Czech Authorities Return Foreigners to Slovakia

AU2607131493 Prague CTK in English 2145 GMT 22 Jul 93

[Text] Bratislava July 22 (CTK)—Around 100 third country nationals—most of them having entered the Czech Republic illegally or having been caught trying—were returned to Slovakia by Czech authorities recently, said a spokesman from the Slovak Interior Ministry today.

As long as those readmitted to the Slovak Republic have valid documents, they may move about freely, said the ministry's Peter Kuchar. None of them, however, have applied for refugee status, he noted, so they are not in the care of Slovak authorities. The situation on the Slovak border was normal, Kuchar stated, and no extraordinary measures were needed to protect it.

Slovak authorities had by July 21 registered 59 foreigners with refugee status, 60 who had applied for it, and 2,007 people in the category of refugees of temporary conflict—1,200 of those as family members.

The first category of refugees, having shown that they are in danger of persecution in their countries of origin, are entitled to permanent residence status. Refugees of temporary conflict may stay in the host country only until the end of conflict in their home country. Currently, most of those in Slovakia are from Bosnia.

So far this year, 550 people have been caught trying to illegally enter Slovakia, while 653 have been found attempting to leave Slovakia illegally—these usually being foreigners without a valid residency permit, Kuchar noted. He added that 444 individuals were returned to neighbouring countries and 150 were readmitted to other countries.

Russia: Weapons Sale Not To Worsen Hungarian-Slovak Ties

AU2707140493 Prague CTK in English 1915 GMT 23 Jul 93

[Text] Bratislava July 23 (CTK)—Russia believes that the planned sale of weapons to Hungary and Slovakia would not result in worsening the two states' relations, which are tense anyway, the Reuters agency quotes today the new ambassador to Slovakia, Sergei Yastrzhembski, as saying.

Both Slovakia and Hungary are responsible, civilised countries and we have no doubts that the tension currently existing between them will be coped with, Yastrzhembski told a press conference today.

The tension in Slovak-Hungarian relations is mainly due to two controversial points: The status of ethnic Hungarians living in Slovakia, and the Gabcikovo-Nagymaros water works on the Danube.

The Soviet Union used to sell weapons to satellite states like Iraq, Libya and North Korea. Russia will sell weapons only to responsible countries, Yastrzhembski added.

Russia and Hungary concluded an agreement last December providing for Moscow to pay off, by the end of 1996, the debt worth 1.6 billion USD to Hungary, with a half of the sum to be paid in the form of military equipment and technologies to serve the re-equipment of the Hungarian Army.

Last week, Slovak Premier Vladimir Meciar indicated that in case Hungary followed through on its intention to buy weapons from Russia, Slovakia would also consider the possibility of Russia paying off its debts to it through arms supplies.

Finance Minister Threatens To Resign

AU2707171993 Sofia BTA in English 1632 GMT 27 Jul 93

[Text] Sofia, July 27 (BTA)—Finance Minister Stoyan Aleksandrov confirmed before journalists today his intention to resign if parliament votes down the government's bill on a uniform value added tax rate [VAT].

The International Monetary Fund recommended the Bulgarian Government to standardize tax receivables against exempting some goods and services from VAT. This bill gave rise to some controversies and the Socialists declared that it was not in the interest of small and medium business.

Today Finance Minister Aleksandrov met with the Parliamentary Group of the Bulgarian Socialist Party (BSP) and proposed to postpone the debates on the value added tax bill to September. The Socialists once again expressed their view that the VAT rate should be differentiated and that the list of goods exempt from taxation should be extended.

After his meeting with MP's of the BSP Stoyan Aleksandrov told journalists that the other parliamentary groups had expressed support for a uniform rate

Zhelev Receives World Jewish Congress Secretary

AU2707195293 Sofia BTA in English 1902 GMT 27 Jul 93

[Text] Sofia, July 27 (BTA)—I am pleased to say President Zhelev and I agree on the matter of tolerance to minorities, Mr. Jean Cannes, secretary-general of the World Jewish Congress European Branch, told journalists after meeting the Bulgarian president. The guest expressed the gratitude of Jews in Europe to Bulgaria, which fifty years ago saved its Jews from the Nazis. Now, as then, Bulgarians display no xenophobia or racism and tolerate minorities, according to Mr. Cannes.

In the course of his brief visit here, the secretary-general met with the First Deputy Minister of Foreign Affairs Valentin Gatsinski, with representatives of the Bulgarian minorities foundation and with Ministry of Justice officials.

Additional Protocol With EC Initialed

AU2607204693 Sofia BTA in English 1945 GMT 26 Jul 93

[Text] Sofia, July 26 (BTA)—An additional protocol to the interim agreement on trade and all related problems between the European Community and the European Coal and Steel Community as one party to the agreement and Bulgaria as the other party, and to the Europe agreement between the EC-states and Bulgaria was initialed in Brussels, the press office of the Bulgarian Ministry of Foreign Affairs announced.

The protocol makes provisions for accelerating the liberalization of the EC markets for the goods of all the countries associated with the EC in compliance with the decisions made by the Council of Europe in Copenhagen in June this year. The additional protocol will be signed this autumn, it is expected to become operative for Bulgaria on the date of the entry into force of the Bulgarian-EC interim trade agreement.

Russian Border Guards Injure Truck Driver

AU2707162893 Sofia BTA in English 1542 GMT 27 Jul 93

[Text] Sofia, July 27 (BTA)—On July 22, 1993 Bulgarian nationals Dimitur Khristov Mitev and Zhechko Mitkov Genov from the town of Preslav, travelling by truck loaded with goods from Ukraine, were stopped by soldiers of the Russian peacekeeping forces at the bridge across the Dniester near the town of Dubasar in the so-called Eastern Dniester Republic, the press office of the Bulgarian Foreign Ministry announced today.

The Bulgarian Embassy in Kishinev reported that the Bulgarian citizens were threatened and that shots were fired at the truck. As a result of the incident the driver Dimitur Mitev is lightly wounded. Following the intervention of the Moldovan police, the Bulgarian nationals were rendered the necessary assistance for reaching the Bulgarian Embassy.

The Bulgarian Ministry for Foreign Affairs is taking the necessary steps for preventing such incidents in the future.

Bank Official Denies Monetary Reform Rumors

AU2707133293 Sofia BTA in English 1218 GMT 27 Jul 93

[Text] Sofia, July 27 (BTA)—No monetary reform is planned in Bulgaria, National Bank Deputy Governor Mileti Mladenov said in an interview for the National Radio.

"The National Bank of Bulgaria (BNB) does not intend to follow the steps of the Russian bank and to withdraw from circulation denominations under any form whatsoever," Mr. Mladenov said. As regards Bulgarian businessmen who have ruble bank accounts in Russian or Bulgarian banks, they will have two weeks to draw up to 100,000 rubles, after which their deposits will be blocked for six months, the BNB Deputy Governor Mladenov added.

Citing bank experts, the KONTINENT daily writes today that former Prime Minister Grisha Filipov (1981-1986) wanted the then National Bank chief to replace the money but common sense prevailed. The production costs of one Bulgarian banknote are 1.20 leva, BNB Department Chief Rozalina Natseva told this daily in connection with the monetary reform in Russia. The costs of a possible monetary reform cannot be made

public because the total number of banknotes in circulation is a state secret both in Bulgaria and in Russia, Mrs. Natseva adds.

Study on Unfair Competition in Trade Published

AU2707115993 Sofia BTA in English 1035 GMT 27 Jul 93

[Text] Sofia, July 27 (BTA)—According to the Protection of Competition Commission, trade in Bulgaria is worst hit by unfair competition.

The recently completed compilation of the commission's proceedings in the period from its establishment in the summer of 1991 to the end of 1992 shows that the complaints about unfair competition in trade lodged under the Protection of Competition Act account for 19.1 percent, while those concerning mechanical engineering and transport account for 8.4 percent each.

The largest is the number of complaints about unfair competition by employees—41.8 percent, advertisements made in violence of the Protection of Competition Act and trade in fakes. The complaints about monopoly position abuse by large state companies account for 14.2 percent.

Most complaints—34.6 percent, came from different commercial partnerships, private ones mainly, 6.3 percent were filed by trade unions defending their members.

In 1991-1992 the commission made 114 decisions, 22 of which in favour of complainers.

Commentary Views Decline in Arms Industry

AU2707081993 Sofia KONTINENT in Bulgarian 24-25 Jul 93 p 6

[Boryana Kostova commentary: "Sweeping Up Crumbs"]

[Text] After two years of "Huns and typhoons" raging through our military industrial complex, parliament suddenly woke up and decided to save it. Pushkarov's investigation commission poked around for a long time in what is left of our arms industry and finally dropped a large report on the National Assembly's table full of violations findings, but naming no culprits. Indeed, the prudent culprits had left the country in time. One of them went across the ocean because he was about to become a father there; another got angry because details of his trip to Macedonia were revealed. The rest can be found in the National Assembly hall, where they innocently attend the sessions as if butter would not melt in their mouths. Our independent judiciary will hardly perturb them or affect their comfortable positions.

In the past Bulgaria used to implement arms deals to the tune of $2.28 billion per annum. Recently our country has been signing a minicontract here and there to sell weapons at suspiciously low prices in terms of the world market. We have lost about 80 percent of our partners in this sphere. A large quantity of military hardware is growing obsolete in warehouses. Simultaneously, the experts are wondering how to convert our supermodern arms industry to the production of say jam-jar caps or gas tin cans.

At the same time U.S. and other Western arms companies have occupied the positions that Bulgaria has obligingly vacated. We have been left with the proud awareness that we are peace lovers. Other, less peace-loving countries amassed crazy profits from the arms industry. What is left for us is to sweep up the crumbs.

Communists Refute Minister's Comments on German Claims

AU2607182493 Prague RUDE PRAVO in Czech 23 Jul 93 p 2

["(kou)"-signed article: "Ransdorf Described Zieleniec's Reply as a Mistake"]

[Text] Prague—M. Ransdorf, chairman of the Communist Party of Bohemia and Moravia, described Foreign Minister J. Zieleniec's reply to the interpellation by Left Block deputies Exner and Strait as a mistake. According to Ransdorf, in the 1950's there was a group led by the State Arbiter, who calculated the claims as follows:
Unpaid reparations—308 billion korunas [Kcs].
Unsettled restitution claims—Kcs21.6 billion.
Compensation for persecution—Kcs4.5 billion.
Other than reparation claims—Kcs3.9 billion.
Claims related to invalidity of the Munich Treaty—Kcs40 billion.

The sum is Kcs380 billion [figure as received] and 3.4 billion German Reichmarks. M. Ransdorf also said that, after the war, direct damages were analyzed, including physical damages reaching 340 billion pre-war korunas. "Nazis stole all the planes and river ships. A total of 52 percent of steam locomotives disappeared, 68 percent of railway wagons were damaged, 74 percent of freight wagons, and 75 percent of railway buildings were destroyed. In the entire Czechoslovak Republic, 29 percent of the road network was damaged and the Republic lost 49 percent of its automobiles," Ransdorf said. He said that 50 percent of the population suffered from malnutrition, and the war brought death to 360,000 Czechoslovaks. "Those are notoriously known figures, and I am surprised that they do not work with these numbers at the Czech Foreign Ministry," Ransdorf said.

ODA Leaders Reject Nationalism Claims

AU2707130293 Prague CTK in English 1403 GMT 23 Jul 93

[Text] Prague July 23 (CTK)—The chairman of the Civic Democratic Alliance (ODA), Jan Kalvoda, cannot understand the scandalous impropriety of his party's request for coalition negotiations on foreign policy. No one has explained to him why it has caused so many statements and discussions, he told a press conference today.

Kalvoda added that the request implied no criticism or fundamental changes. To my mind such a request would be legitimate even if it weren't laid down in the coalition agreement signed by all the partners, Kalvoda declared, and went on to say he would welcome an explanation of why a request from one coalition party to its partners regarding consultation on any issue should be almost indecent and immoral.

The ODA moreover rejects accusations of nationalism made in some of the foreign press, Vice-Chairman Daniel Kroupa said, and firmly stood behind civic principles. That is why the accusations are improper and why we suspect there are other motives behind them, namely to invalidate the arguments ODA is putting forward, Kroupa added.

The German daily DIE WELT stated on Wednesday [21 July] that compared to its coalition partners, the Civic Democratic Party (ODS) and the Christian and Democratic Union-Czechoslovak People's Party (KDU-CSL), the ODA is incomparably better prepared to exploit nationalistic tendencies among Czechs. The ODA had, according to the paper, taken up the task of bringing nationalism into the conservative camp. There had already been unmistakable chauvinist undertones during the heated days of the splitting up of the Czechoslovak Republic, and this nationalistic tendency was continuing as this summer's topic number one: The German question, DIE WELT wrote.

Options for Approval of Customs Law Outlined

AU2707132393 Prague CTK in English 1710 GMT 23 Jul 93

[Text] Prague July 23 (CTK)—The amendment to the Customs Law, passed by the Czech Parliament on July 7, but returned unsigned by Czech President Vaclav Havel on Thursday [22 July], could be dealt with at the September session of the Chamber of Deputies, the Chamber's Deputy Chairman Karel Ledvinka thinks.

Under the amendment, deputies would not be subject to customs checks on borders, but would be obliged to pay customs duties.

Havel did not sign it because he believes that it expands the deputies' immunity beyond the limits set by the Constitution.

There are three possible variants of further procedure, Ledvinka said. Under the first variant, the amendment can be passed in the form as it was returned. This requires, in accordance with the Constitution, an absolute majority of votes, while no alterations to the wording are admissible.

In the opposite case, the law is not adopted, which is the second variant.

Under the third variant, political will should be found to withdraw the amendment from the legislative process and to replace it with another one.

Ledvinka thinks the third variant will be applied.

Constitutional Court Division Agreement Signed

AU2707133193 Prague CTK in English 1557 GMT 23 Jul 93

[Text] Brno, Southern Moravia July 23 (CTK)—An agreement on the division of the assets of the former Federal Constitutional Court was signed today, said the chairman of its Czech equivalent.

The 27 million crown (900,00 USD) agreement included a 1.2 million crown (40,000 USD) settlement by the Constitutional Court of the Czech Republic—paid in the form of two company vehicles, three copiers and a personal computer, explained Zdenek Kessler.

He noted that the agreement had been signed already last April, but was blocked by the Czech Government.

A major difficulty with the division was ensuring the continued operation of the computer network the Czech-oslovak court had used. The court's building posed no problem, as it was rented, as are the current quarters of the Czech court in Brno.

Bosnian Refugees Might Remain Permanently

AU2707131893 Prague MLADA FRONTA DNES in Czech 24 Jul 93 p 2

["(km)"-signed report: "Many Refugees Will Have To Remain Permanently in the Czech Republic"]

[Text] Prague—Approximately 1,000 refugees from Bosnia-Herzegovina will have to remain, most likely, permanently or for a long period of time in the Czech Republic. This follows from preliminary estimates by the Interior Ministry.

The Interior Ministry thinks that people who have been given temporary refuge may not succeed in entering third countries or in returning to their original country.

This is why the government recommended that the minister of labor and social affairs and the interior minister draft a program to integrate these refugees into society.

On 1 June this year, in Interior Ministry facilities, over 2,000 refugees from the former Yugoslavia were accommodated. Apart from them, in the Czech Republic there are 700 other people.

Between 1990 and 1993, apart from people fleeing from the war in the Balkans, some 5,500 people have been accommodated in Czech refugee camps—people who were demonstrably persecuted in their countries for ethnic, racial, religious, or political reasons.

The largest numbers of people coming to the Czech Republic are from Armenia and Romania. A total of 308 million korunas have been allocated for them from the state budget in 1993.

Average daily costs for the accommodation of one refugee are estimated at 200 korunas.

The number of refugees—foreign nationals who have not demanded protection from the state and who are staying illegal or using their legal stay here to cross borders into other countries—is constantly changing. In the first half of this year, 23,000 refugees—mostly from former Yugoslavia—entered Germany from the Czech Republic. Romanians, Bulgarians, Russians, Albanians, and people from some African and Asian countries form another large group of refugees.

Police Checkpoints on Slovak Border Not To Increase

AU2707130093 Prague CTK in English 1457 GMT 23 Jul 93

[Text] Lanzhot, South Moravia July 23 (CTK)—The Czech Interior Ministry does not plan increasing the present total of 13 alien police points at Czech-Slovak road border crossings, the ministry's spokeswoman, Beata Bernikova, said today.

Visiting the highway customs point at Lanzhot today, Bernikova told CTK that the establishment of alien police points on railway crossings depended on talks with the transport ministry.

Asked whether border police would guard the border outside border crossings, Bernikova said this was up to the government to decide. But in the next two weeks the government would not be in session, she added.

She said that Germany might support the activity of the Czech Alien and Border Police. If it materialises, it won't be in the form of financial, but technical aid. The German party has already sent in a draft assistance proposal which has not been rejected by the Czech party, Bernikova said.

Germany is interested in preventing illegal migration in the Czech Republic, which is one of the two countries from which the migrants enter its territory. The other one is Poland.

Seventy-two third country nationals have been returned to Slovakia at Lanzhot since July 13, most of them Romanians. An average of 10,000 to 40,000 people pass the crossing point daily.

Moderate Growth in June Unemployment Figures

LD2607163593 Prague CTK in English 1419 GMT 26 Jul 93

[Text] Prague, July 26 (CTK)—There were 138,500 registered job seekers in the Czech Republic at the end of June, according to the Czech Statistical Office's (CSU) June report, an increase of 2,500 over May.

Out of the total, 58.8 per cent were women. The number of people receiving unemployment benefits reached 62,500.

The unemployment rate grew to 2.63 per cent by the end of June, and regional differences became more pronounced. The unemployment rate in Prague decreased to 0.24 per cent, whereas it went up in central and eastern Bohemia and in northern Moravia (including Silesia).

The highest rate of unemployment—over five per cent—was to be found in the districts of Tachov (western Bohemia), Louny (northern Bohemia), Trebic and

Znojmo (southern Moravia), and Bruntal, Karvina, Novy Jicin and Vsetin (northern Moravia).

Budget Surplus of 4.8 Billion Korunas Reported

LD2707131093 Prague CTK in English 1209 GMT 27 Jul 93

[Text] Prague, July 27 (CTK)—At the end of May, the Czech Republic state budget showed a 4.8 billion crown (160 million USD) budgetary surplus, according to the latest report issued by the Czech Statistical Office (CSU).

The budgetary surplus for the same period in 1992 was 0.8 billion crowns (26 million USD).

The degree of filling the state budget on the side of revenues and expenditures was influenced by the inclusion of this year's clearing payments between the Czech Republic and Slovakia. Excluding this, revenues actually made up 42.3 per cent and expenditures 41.2 per cent of the annual budget.

The state budgetary surplus for the period of January to May 1993, is mainly influenced by revenues exceeding expenditures. A significant part of this was drawn from last year. These revenues practically came in at once and are not increasing any further (at the end of May they reached 12.4 per cent of the total revenues reached), the report states.

Poll Reveals ODS Most Popular Party

AU2707133393 Prague CTK in English 1553 GMT 23 Jul 93

[Text] Prague July 23 (CTK)—If parliamentary elections were held these days, 65 percent of Czech citizens would participate in them, while 19 percent have not decided yet, according to a poll conducted by the Prague-based Centre For Empirical Research (STEM) among 1,493 respondents on July 2-10.

The Czech population's will to participate in the possible elections has been relatively high and stable for a long period. Against a similar poll conducted in June, the number of those decided not to participate has increased to 16 percent.

The coalition Civic Democratic Party (ODS), continues to be favoured most of all parties, as 34 percent of those polled said they would vote for it. The party won 29 percent in the 1992 elections.

Preferences for the coalition Civic Democratic Alliance (ODA) increased to 12 percent against 10 percent in June, while the number of followers of the coalition Christian Democratic Union-Czechoslovak People's Party (KDU-CSL, 6 percent) rose by one percent. A decrease of one percent was registered by the Communist Party of Bohemia and Moravia (KSCM, 9 percent) and the Czech Social Democratic Party (CSSD, 13 percent).

Being favoured by 85 percent of Czech citizens, Czech Industry and Trade Minister Vladimir Dlouhy (ODA) is the most popular politician, the poll showed.

Transport Minister Jan Strasky placed second, followed by Czech Premier Vaclav Klaus (both ODS). Besides coalition politicians, two representatives of the opposition placed among the first nine: Jiri Dienstbier, chairman of the Civic Movement (OH), and Milos Zeman (CSSD head), who placed fourth and ninth respectively.

The poll showed that 61 percent of the Czech citizens appreciated the work of the Czech Government, while 62 percent of the respondents said they considered the work of the Czech parliament poor.

The majority of those polled said they were interested in politics only medially. However, over five percent of the respondents, who claimed their disinterest in politics, believed at the same time that they had good knowledge of political developments.

Moravcik Comments on Border Control Talks

LD2707190593 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 27 Jul 93

[Interview with Foreign Minister Jozef Moravcik by unidentified correspondent following a government session in Bratislava on 27 July—recorded]

[Excerpt] [Correspondent] You said that a round of so-called technical talks of experts would follow today's cabinet meeting. What specific technical details should these talks address?

[Moravcik] What needs to be decided is how the border controls will be carried out. Whether the controls will be carried out on the Czech side or the Slovak side. At the moment, a preliminary agreement exists according to which there should be one point of control. That means that it would have to be decided at each border crossing which side will exercise this control on behalf of both states, as well as other related technical details.

[Correspondent] How (?do you plan), for instance, to differentiate between the citizens of the Czech or the Slovak Republic and those from third countries, without limiting the freedom of movement of the citizens of the Czech and Slovak Republics—or, in other words, without checking their documents?

[Moravcik] I do not want to predict the result of the experts' negotiations; but, in my view, this cannot be done without checking the citizens of the Slovak and Czech Republics. This control, however, must be limited to checks that are absolutely necessary. It means that a person should be allowed to continue his journey without any delay if he proves that he is a citizen of the Slovak or the Czech Republics by submitting his identity card or some other document. [passage omitted]

Agreement Abolishing Visas With Czechs Discussed

AU2707125993 Prague CTK in English 1235 GMT 23 Jul 93

[Text] Bratislava July 23 (CTK)—Experts from the Slovak Foreign Ministry have compiled for the government a draft clause to the agreement abolishing visa requirements between the Czech Republic and Slovakia, the ministry's press officials told CTK today.

The Czech Government approved the clause on Wednesday [21 July]. It stipulates that nationals from a third country are allowed to cross the Czech-Slovak border only at the existing customs points.

Slovakia is preparing no official response to the Czech proposal, said the press officials.

According to Czech Premier Vaclav Klaus, Slovakia should accede to the agreement regardless of its talks on readmission agreements with Ukraine and Hungary, as the normal border concerns exclusively third countries' nationals. The readmission agreements are not connected with this at all, he added.

Klaus also dismissed Slovak Interior Minister Jozef Tuchyna's statement that the clause ought to be ratified by the parliaments of the two states.

In an interview with Slovak Radio, Slovak Premier Vladimir Meciar dismissed today the idea that Slovakia wanted to put off the solution to this issue.

SNS Accuses HZDS of 'Poisoning' Talks

AU2707131693 Prague CTK in English 1652 GMT 24 Jul 93

[Text] Prievidza, Central Slovakia, July 24 (CTK)—The Slovak National Party (SNS) has accused members of the Movement for a Democratic Slovakia (HZDS) of attempting to discredit the SNS and poisoning the atmosphere for further coalition talks between the two parties.

In a letter sent to the HZDS's national leadership caucus today, the SNS also expressed its unease that such statements by HZDS leaders began to surface even before the caucus, which is taking place today in Bardejovske Kupele in Eastern Slovakia. The letter was sent by the SNS's Bardejov organization on behalf of the party, SNS General Secretary Jozef Hrabina told CTK today.

The letter also called upon the HZDS to form a coalition for the benefit of Slovakia, Hrabina said.

The letter came in reaction to a report by the official News Agency of the Slovak Republic (TA SR) in which sources close to the HZDS said that SNS Chairman Ludovit Cernak had requested of Finance Minister Julius Toth unspecified millions of crowns [korunas] in financial support for the SNS. The wording of the report gave the impression that Cernak had requested support for the SNS as our (the HZDS's-ed) future partner, an impression Hrabina dismissed as ridiculous. The report also alleged that several SNS deputies had expressed interest in a similar large sum for the support of the HZDS and its chairman, Premier Vladimir Meciar.

The SNS Central Council considers today the final deadline for closing a coalition agreement between the SNS and HZDS, Hrabina said.

The HZDS Caucus is discussing today its stance toward further coalition talks.

President Kovac Interviewed on Mideast, Arms

93AE0527A London AL-HAWADITH in Arabic 25 Jun 93 pp 38-39

[Interview with President Michal Kovac by Mustafa al-Sabuni in Bratislava; date not given: "Slovak President Michal Kovac Gives AL-HAWADITH First Exclusive Interview"]

[Text] Bratislava—Michal Kovac, the first president of the Slovak Republic, has said in his first interview with

the international press, given exclusively to AL-HAWADITH, that his country extends its hand to the entire world, without any exclusion, to establish trade and economic relations and to open the door of foreign investment, adding that the country is striving hard to get itself a permanent seat in the European House now that it has become a UN member.

The Slovak president added that his country's relations with the Arab countries have been constant since creation of the Czechoslovak Federation, even before.

He noted that since the velvet revolution of November 1990 [year as published], these relations have been affected a little because of the centralist nature of government in Prague. He added, "But as a Slovak people, we believe in these relations profoundly and we look forward to developing and strengthening them in all spheres, within the framework of new trade and economic agreements."

The Slovak president touched on the Middle East crisis and considers it a distinguishing sign of the troubles burdening the world's countries. He welcomes the peaceful efforts being made to settle the crisis.

He also talked about Lebanon, saying, "We have been watching closely the conditions existing in Lebanon since the end of the civil war. We have been following the effort going on in there, and we look forward to balanced political and trade relations between us."

Following is the text of the interview:

[al-Sabuni] Can you give us an idea of the true reasons and motives for the separation from the Czechs, and does this secession accomplish the Slovak people's hopes and aspirations to establish their own new state?

[Kovac] Very simply, the reason is that the Slovak people weren't satisfied with the system of government, action, and planning and with the principle of equality between the two republics within the federation. This wasn't confined to domestic life but went beyond to foreign representation, considering that our people were denied representation in world and international meetings and conferences and they didn't have the opportunity to act and prove their presence internationally, not even at the European level. Add to this the numerical superiority of the Czech people, which imposed all forms of custodianship on the Slovak people at all levels.

As for the second part of the question, everybody knows that the Czechs are ahead of us as a result of their positions of responsibility and leadership in the federal state through which they opened for themselves firm doors in the world markets. In light of this, we resolved to shoulder our responsibility most capably, and we will march forward on the path on which we have started our procession. Currently, we are looking for the elements and spheres that we can employ, considering that our industrial and economic capabilities were previously exploited by the disintegrated Soviet Union and by the collapsed Warsaw Pact. The new world map requires new industrial, economic, and political strategies. We are now developing our objectives on the basis of our new relations. We exchange various viewpoints with our friends and neighbors. We stress that we open our hearts to whoever wants to cooperate with us. Our hands are extended to everybody, without exception.

[al-Sabuni] Do you think that you have leaders capable of shouldering the political responsibilities?

[Kovac] The Slovak people never trusted, not even once, what existed previously, considering that the state's foreign policy was tied to Czech figures. This is why Prague, as capital of the Czech Republic, beat us to establishing political and trade relations. The secession has put us behind Prague, and this is a fact we don't deny. But we also know that if we don't start building up our strength and developing our leadership and capabilities now, then the day of our progress will not arrive. Fortunately, and even though nearly six months have lapsed since the secession, a broad segment of educated youth have joined our cadres to teach them foreign languages. Moreover, all the political and economic cadres have been revamped in preparation for transferring the means of production to private ownership. We aren't currently in as excellent a position as that of other world states that have preceded us. But we say that we aren't in a bad position either.

[al-Sabuni] What is the policy you have embraced to develop your economy and your trade balance? Do you think there are opportunities to accomplish this, and how?

[Kovac] If we wish to talk about the preliminary tendencies in the economic field, then our entire system must change—and we are on the way toward this change—because Slovakia possesses immense resources in technological machinery production. To carry on in this area and to bolster it, we need energy and raw materials. At present, we cannot absorb these resources. Therefore, we have decreased production to make it beneficial and to reduce the enormous cost required by technological production, which we can master. Because we cannot import the raw materials necessary for production, we focus currently on our strategic position in Central Europe. We are a strategic transit country at present, and we link the east with the west and the south with the north.

[al-Sabuni] Will you continue to work on arms production, considering that it is well known that Slovakia has numerous weapons production plants?

[Kovac] We realize that in the new international situation, we cannot work to produce weapons at any level. From 1987 and up to the time prior to the velvet revolution of November 1989 and even afterward, we had new markets to sell weapons. But because of international restrictions, we have now reached the freeze level, keeping in mind that the weapons industry was

advancing at a rapid pace and that our production amounted to nearly 12 percent the volume of our economy.

[al-Sabuni] On what basis is your foreign policy being built, and what are the priorities of this policy insofar as you are concerned?

[Kovac] We have built our foreign policy on the basis of the UN principles. We have no enemies anywhere. We are friends with all countries, and we wish to develop and expand our political, trade, economic, cultural, and even athletic, relations with all countries, none excluded. But we do, of course, have priorities at present. We have to cement our relations with Central Europe and to expand our friendships and our relations with neighboring countries, especially with the Czech Republic and the republics of Austria, Hungary, Poland, and the Ukraine, because of their geographic proximity to us. But this doesn't mean that we wish to confine our relations to one or two countries. New agreements and protocols have to be concluded on the basis of the new international development and accomplished facts; we have to respond promptly to requirements dictated by trade necessities; and we have to open the door for foreign investment in a firm and stable economic situation based on the policy of a free world economy. We also have to change our institutions and our factories and to manage them within the framework of a free and unrestricted economy so foreign investors can be reassured and interested in investment and development here. All this urges us to develop quickly and to deal with the world most capably and efficiently.

[al-Sabuni] What is your policy vis-a-vis the Arab countries, and do you have plans to attract Arab capital to invest in your country?

[Kovac] I stress that we have good relations with all the Arab countries. We will take the initiative to conclude new trade and economic agreements. The door is open securely for Arab investment and for whoever wishes to invest his capital in our country, whether at the public level or private level. We emphasize that our investment laws and regulations are ready. Our policy is totally different in this regard from the policy adopted by the Czech leadership. Regarding Syria, we appreciate our old ties with it proudly and it is a very important partner, particularly in the trade area. We appreciate this fact and tie it to our past experiences. The same applies to Lebanon, and we hope to establish new relations with it based on understanding and development. We hope that Lebanon will regain its strength and will succeed in its ongoing reconstruction and development effort.

As for the Gulf states, we have excellent relations with Kuwait and we have implemented several projects there. We constantly aspire to these countries. for whom we have a broad market. Through dialogue and trade relations, they can find cooperation from us in all spheres. On our part, we will do whatever opens the doors and spheres for ideal cooperation.

[al-Sabuni] How do you view the Middle East issue, and what is your vision of a just solution to this problem?

[Kovac] The Middle East problem is the obvious sign of troubles in the world lacking final solutions. The failure to develop a solution to this problem is an economic burden, not just to the economy of the countries involved, but to the economy of all countries. This is why the Slovak Republic welcomes all the current peaceful efforts that are based on UN resolutions and that seek to develop a just and comprehensive solution. We know that there are difficulties but we will not lose hope. We believe that the Palestinians, with their vigilant leadership, and the Arab and Israeli parties will develop the desirable solution.

[al-Sabuni] Amidst the busy concerns of the work you lead, are there hobbies in which you engage to rejuvenate your daily energy?

[Kovac] There is no time for hobbies at present. However, I swim three times a week, and I also keep up with physical therapy. I like quietness, tranquillity, and reading. I am also in the process of writing a book that deals with numerous economic problems.

I like the touch of the soil and gardening, and I do it from time to time. This keeps me going constantly and rejuvenates my energy.

Data Published on Bankruptcies, Liquidations

AU2707163193 Budapest MAGYAR HIRLAP in Hungarian 27 Jul 93 p 1

[Report by Ibolya Veres: "Bankruptcies in the First Six Months—Preferential Loans From the End of the Year"]

[Text] The courts received 704 bankruptcy and 4,336 liquidation requests in the first six months. After the big surge in 1992, the number of bankruptcy requests has stabilized in 1993.

The courts receive some 100 to 130 bankruptcy requests each month, and a large number of these are filed from Budapest, we learned from Istvan Vavro, an official at the Justice Ministry. A considerable part of the liquidation requests are also filed in Budapest.

The courts received 100 bankruptcy and 682 liquidation requests in June. At the same time, 162 bankruptcy and 445 liquidation proceedings were completed. As for the territorial distribution of bankruptcy declarations, Budapest is the "leader": Some 36 enterprises declared bankruptcy in Budapest, while generally four or five enterprises are forced to do this in the counties. The territorial distribution of liquidation proceedings is similar because 216 enterprises initiated liquidation proceedings against themselves or others in Budapest in June. On the average, some 40 to 50 liquidation requests were filed with the courts in Pest and Szabolcs-Szatmar counties.

Bankruptcy and especially liquidation proceedings often take a long time because the assets cannot be sold and the creditors cannot be paid. To speed up the creditors' access to money, the government decided to help the sale of the assets of enterprises under bankruptcy or liquidation with preferential interest loans, Tibor Szakacs, department leader at the Finance Ministry told us. He said that the preparation of the new financial measure is being discussed with the banks at the moment, and its introduction can be expected in the last quarter of 1993. The banks will probably give the preferential loans for five years and the recipients of the loans will get interest support. The actual size of this is not yet known but it will probably be defined as a percentage of the central bank's basic rate. It is also a condition of the loan that persons considered as nationals under the Foreign Exchanges Act, and their companies, could use these loans in the case of purchasing the assets of companies or cooperatives under bankruptcy or liquidation procedure in which the state property reaches 25 percent. Their own share will also be determined in the case of these loans; it will be 15 percent regardless of the value of the purchased asset. As a matter of fact, this year's budget already has 1 billion forints assigned for interest support, and help can also be expected from international financial organizations in 1994.

Social Democratic Party Head Views Coalition Prospects

AU2707081093 Budapest NEPSZABADSAG in Hungarian 26 Jul 93 p 7

[Interview with Endre Borbely, chairman of the Hungarian Social Democratic Party, by Gabor Czene; place and date not given: "The Social Democrats Are Seeking Partners"]

[Text] The Hungarian Social Democratic Party [MSZDP] is looking for its place and its allies among parliamentary parties and "outside" parties alike. At a news conference recently held by the party, Chairman Endre Borbely declared that the MSZDP wanted to become a determining force in Hungarian political life. We interviewed him about his party's situation and endeavors.

[Czene] It is always worth clarifying the following: How many social democratic parties are there in Hungary at the moment?

[Borbely] As far as I know, there are four registered social democratic parties. In addition to the MSZDP, there is the Independent Social Democratic Party, the "nonlabel" Social Democratic Party, and the Social Democratic People's Party. Of these, the MSZDP is the one that achieved 3.55 percent of the vote at the 1990 elections and, at that time, it was Hungary's eighth largest party. We have an organizational structure that covers the whole country, as well as considerable domestic and international relations. At the same time, we think that the time has come for the parties calling themselves social democratic to unite.

[Czene] Would such a fusion lead to the actual disappearance of the other three parties?

[Borbely] In the course of the talks held so far, the Social Democratic Party has not expressed its desire for such a union; instead, it proposed a program alliance. The position of the MSZDP is that it is possible to carry out a union as an initiative coming from below, without exercising any pressure and based on the judgment of the leaders and members of the other parties. In my opinion, this union will emerge in a broad circle, all the more so because any politician who respects himself cannot become an obstacle to natural processes.

[Czene] By the way: What is happening with Anna Petrasovits?

[Borbely] I cannot give you a precise answer to this. She is not in the social democratic movement. Besides, you have the possibility to publish an interview with her in NEPSZABADSAG....

[Czene] In your news conference, you regarded the idea of a MSZDP-Labor Party election coalition as conceivable. In view of the tense relations between the Hungarian Socialist Party [MSZP] and the Labor Party, how real is such a scenario?

[Borbely] Obviously, this needs a readiness for negotiations first of all, followed by a long series of negotiations, and many issues must be discussed. The tense relations between the MSZP and the Labor Party have deep roots, and some kind of a demarcation can be observed between them. I do not want to express my opinion on this matter because, before an expected series of negotiations, one should not stress the difficulties. I think that, given the fact that each party's program contains the protection of the workers' interests, we should not turn our backs on each other. Putting political prejudices aside, we should rather examine how to represent these interests in a modern and efficient way. Besides, I would not regard it as a failure if we did not participate in the elections together, because elections are not the only determining factor in the life of a party; it must carry out political activity both before and after the elections.

[Czene] In your statement on the MSZDP's relations with other parties, you did not find it necessary to mention the Alliance of Free Democrats [SZDSZ] and the Federation of Young Democrats [FIDESZ]. In addition, at the news conference, you also said that the economic policy concepts of the liberal parties are rather different from those of the social democrats. At the same time, you are initiating negotiations with the Christian Democrats and the Independent Smallholders' Party [FKgP] "out of concern for the fate of the nation...."

[Borbely] There is a certain kind of similarity between the MSZDP, the Christian Democratic People's Party [KDNP], and the FKgP, namely that history has proved that society needs these parties. One should better learn the economic policy concepts of the other two parties, but social solidarity and a focus on man could be a common contact point with the KDNP. These are also social democratic values. In connection with the FKgP, we start from the premise that, given Hungary's natural conditions and historical and economic development, the peasants and the workers especially depend on each other here in the Danube basin. Of course, differences can be found in both parties, but this does not justify the avoidance of interparty relations. One can also demonstrate this way, namely that parties with different ideologies can cooperate on certain issues.

[Czene] At the time of the previous elections, the MSZDP was famous for its wealth. What is your financial situation today?

[Borbely] Rumors about our wealth originated from circles that were not interested in the MSZDP's election results. The truth is that the MSZDP did not belong to the rich parties at all; of course, I cannot say that it did not have the financial support necessary to enter Parliament. However, I am convinced that a party's success does not depend on its finances. Next year, we will probably get into Parliament not because of the amount spent on the election campaign; we will get into Parliament because we believe in ideas that have not yet been adequately represented in Parliament. In other words, it is possible that our campaign will not be as spectacular as it was then, but it will be successful.

Statement Issued on Middle East Fighting

LD2707143893 Budapest MTI in English 1428 GMT 27 Jul 93

[Text] Budapest, July 27 (MTI)—Spokesman Janos Herman on Tuesday summed up in a statement the position of the Hungarian Ministry of Foreign Affairs on the chances of a Middle East settlement.

In the light of the latest developments, the spokesman stressed:

—We have learnt with concern that the tensions that had built up near the Lebanese-Israeli border in recent weeks have led to armed conflicts and unfortunately claimed civilian lives as well.

—The Hungarian Ministry of Foreign Affairs firmly condemns all forms of terrorism, and takes a stand for a lasting, just and comprehensive peace guaranteeing the security of all countries and peoples in the Middle East. We support the sovereignty, independence and territorial integrity of all countries in the region, including the Republic of Lebanon.

—We are convinced that this aim cannot be attained by arms, in a manner giving rise to sufferings and further grievances. A renewed armed conflict in the region would not serve the interests of either the concerned parties or the world's countries.

—The Foreign Ministry of the Republic of Hungary, joining international stands on the matter, calls on those concerned to show self-restraint, regarding as important the observance of all international legal and humanitarian norms vital for the successful continuation of peace talks to settle the Middle East conflict and an atmosphere neccessary for a constructive dialogue between the region's countries.

—We believe that stability and peace in the region can only be achieved through negotiations, in accordance with the Security Council Resolutions Nos. 242, 338 and 425. We regard a constructive manifestation of the sincere peace intention and common will of all sides as indispensable to dissipating the decades-long atmosphere of confrontation and resolving the conflict, runs the spokesman's statement.

KPN Leader Outlines Party's Program

LD2707200993 Warsaw PAP in English 1904 GMT 27 Jul 93

[Text] Warsaw, July 27—We want to win the forthcoming elections to parliament and to form a government by next autumn that will restore economic stability within 4 years, Leszek Moczulski, the leader of the Confederation For an Independent Poland [KPN], told PAP Tuesday [27 July].

Moczulski rejected accusations by other political parties that KPN's electoral programme was populist and explained it merely reflected the interests of the majority of Poles, that is the employees.

"Our long-range programme for the next 25 years assumes that we will manage to bring Poland into the group of developed western countries and ensure that she occupies a leading position in Europe," said Moczulski.

"Within four years of our electoral victory we can restore economic equilibrium to Poland, meaning that her production assets would be utilized at 85 to 90 percent of capacity," the KPN leader went on. "This means that we would restore full employment."

Full employment would be achieved by launching a massive programme of public works in areas such as housing construction, road building and telecommunications.

Moczulski said his party wanted to reach at least 9 million voters with propaganda materials, personally and at pre-electoral meetings. KPN will field 800 candidates for Sejm deputies and hopes to win 25 to 40 percent of the seats, Moczulski said. In the Senate, the party expects to have the absolute majority of 51 seats.

Socialists To Run on SLD Ticket

AU2707120393 Warsaw GAZETA WYBORCZA in Polish 26 Jul 93 p 2

["WZ"-signed report: "A Divided PPS"]

[Text] Yesterday [25 July] saw the second round of the Polish Socialist Party's [PPS] 26th Congress. The congress resolved to take part in the parliamentary elections on the Democratic Left Alliance [SLD] ticket. This decision was criticized by Lidia Ciolkoszowa, PPS honorary chairman, who lives in London.

The delegates elected Piotr Ikonowicz chairman of the PPS and supported his motion to run in the election on the SLD ticket, but representatives of the two PPS circles that oppose any collaboration with postcommunists were not in attendance. Most other PPS leaders also oppose Ikonowicz's motion. The PPS Supreme Council termed the Sunday congress illegal.

PPS honorary chairman Lidia Ciolkoszowa sent a special message from London in which she labelled the PPS the continuation of the PZPR [Polish United Workers Party] and called the cooperation with the SLD a 'departure from the PPS' noble traditions.'

Ikonowicz's supporters ignored this message, and told the press that the congress had been convened in accordance with the PPS statutes. At a news conference, Ikonowicz thanked Lidia Ciolkoszowa for "preserving PPS standards abroad," but made it clear that the legendary emigre leader of Polish socialists is poorly acquainted with Polish reality.

Thirteen PPS candidates will run on the SLD ticket. Ikonowicz himself will be one of three Socialists on the SLD national list, Three PPS activists will run on the same list as Ryszard Bugaj's Union of Labor.

Those PPS leaders who oppose Ikonowicz, for example Grzegorz Ilka, want to enter into a coalition with Waldemar Pawlak's Polish Peasant Party.

GDP Forecast To Rise by 4 Percent

LD2707172393 Warsaw PAP in English 1648 GMT 27 Jul 93

[Text] Warsaw, 27 July—According to estimates of the statistical and economic research unit of the Central Statistical Office GUS and the Polish Academy of Sciences PAN, Polish gross domestic product can be expected to grow by 4 percent in 1993.

The fastest growth is likely to occur in industry, with the GDP generated there rising by 6.5 percent over 1992. By contrast, agriculture is expected to show a downward trend compared to last year of some 3 percent.

The study prepared by the unit suggests that a devaluation of the zloty against the dollar is necessary. The best method, according to researchers of GUS and PAN, would be to increase the pace of crawling monthly devaluation now in force.

World Bank Official Evaluates Programs

WS2807103693 Warsaw RZECZPOSPOLITA in Polish 24-25 Jul 93 p 5

[Report by Piotr Rudzki: "The Hardest Stage Is Behind You; World Bank on Polish Economy"]

[Text] So far, Poland has been the first and the only postcommunist country in Europe that has achieved a clear economic growth, said Kemal Dervis, the director for Eastern Europe in the World Bank, at the end of a visit to Poland. The purpose of the visit was to become familiar with the economic situation in our country and to evaluate the implementation of common programs of assistance.

We are satisfied, said Kemal Dervis, that the efforts, actions, and sacrifices associated with it, which require a social consent, made Poland the first country in the region to demonstrate a high rate of growth. In all the

postcommunist countries, the transitional period became more difficult than initially envisaged by most experts.

Asked about the chances of maintaining high growth rates in the long run and about accompanying dangers, the Bank's representative replied that one should approach the growth rate issue carefully because the data is only approximate. Changes in Eastern Europe occurred due to political reasons, and this is because it became clear that economic reform was needed.

According to the chief of the European Department of the World Bank, a possible macroeconomic destabilization, e.g. inflation jumping to 80-100 percent, is a threat to economic growth. Recession in the West, mainly in Germany, leading to protectionist measures, is an obstacle. Under the disadvantageous conditions, Polish economic growth may reach 2-3 percent annually in the next three years, while under good conditions, it could reach 5-6 percent.

Three factors listed by the chief of the World Bank for Poland Ian Hume, speak in favor of continuing growth: the vitality of the private sector, the competitiveness of part of the State sector, and the increase in productivity over the last six months which is responsible for the economic growth. A long-term vision of a rather rapid and permanent economic growth is the key goal of every economic policy. Obviously, the Bank supports that. On the other hand, there were so many disruptions and problems at the beginning of political change in Europe (breakdown of commerce, hyperinflation), that there arose a need for strong stabilizing measures on the macro level. Poland is already past that stage, but that is not the case with the other countries of the region in some of which inflation is as high as 50 percent and more, per month. Stabilizing the economy is therefore the most important factor. As pointed out by Kemal Dervis, statistical data are not very credible; figures on the gross national product should be approached with caution because a major part of the economic activity has not been measured with precision, especially in the private sector.

In 1990, the World Bank began the implementation of a program of cooperation with Poland in many branches—a total of 15 projects are in progress. Some of them are being implemented according to schedule, while others are behind schedule. "But it is not easy, Dervis said, to create cooperation out of nothing. Under the conditions of a free economy where everything changes very fast, we must, in concert with the ministries and banks we are cooperating with, ensure that the least effective programs are adapted to the new conditions. This applies for instance to the health protection program, which had been planned very ambitiously while the implementation turned out to be very difficult, perhaps because the project was too complicated".

Efficiency of the banking system's credit lines for loans to companies is another problem. The World Bank devoted $750 million for that purpose (the repayment period being 17 years), but Polish banks are not able to use the money. They do not want to extend loans to small, dynamic companies they are not familiar with. Big companies in turn, which have been their long-time and familiar customers, do not want new loans because they are in debt anyway or are in the process of restructuring.

The Bank intends to continue the cooperation, especially by assisting companies and the financial sector. It has also decided to support the further reform of the banking system as well as to assist the agriculture. It has devoted $750 million for that purpose. The figure was negotiated and accepted in May while the decision to make the credits operational should be made in a few weeks.

"While ending this visit to Poland, Kemal Dervis said, I am fully aware that Poland wants a strong market economy. I don't think I am wrong in saying that for Polish political forces, the problem is not in where to go, but in how to get there".

Government, Vatican Sign Concordat

LD2807105593 Warsaw PAP in English 1033 GMT 28 Jul 93

[Text] Warsaw, July 28—Representatives of the Polish Government and of the Roman Catholic Church on Wednesday signed the text of a concordat regulating relations between Poland and the Holy See.

The document was signed for Poland by Foreign Minister Krzysztof Skubiszewski, and for the Holy See by Archbishop Jozef Kowalczyk, Papal Nuncio in Warsaw, in the presence of President Lech Walesa, Polish Primate Cardinal Jozef Glemp, and Prime Minister Hanna Suchocka.

Walesa Asks Suchocka To Improve Customs

AU2807110993 Warsaw PAP in English 1548 GMT 27 Jul 93

[Text] Warsaw, July 27—President Lech Walesa sent a letter to Prime Minister Hanna Suchocka asking her to take indispensable measures in order to reorganize and improve the efficiency of the customs administration, the Presidential Press Office announced.

The president referred to "numerous signals" he was receiving pointing to "great losses in budget revenue" due to the "improper functioning of the Main Customs Office (GUC)."

The present organization and operation of customs "creates enormous scope for economic swindles, corruption, forgeries, fraud, etc," the letter says.

In conclusion, President Walesa noted that "repeated suggestions concerning the necessary changes in the customs administration addressed to the Ministry for Foreign Economic Relations have brought no results. In

my opinion the worsening situation requires a prompt and effective intervention by you personally, Ms. Prime minister," Walesa said.

Also, the head of the National Security Office at the Presidential Office, Jerzy Milewski, sent a letter concerning the same matter to the minister for foreign economic relations Andrzej Arendarski.

In the letter Milewski claims that reports on inspections carried out by the Supreme Board of Inspection (NIK) and fiscal authorities point to "considerable indolence of top officials of GUC."

Milewski suggested in the letter that the Main Customs Inspectorate be made independent of GUC, whom it is expected to inspect, and that a government commissioner for the reform of GUC be appointed. In a press release, the Government Press Office stressed that Hanna Suchocka took personal interest in an efficient functioning of the customs administration. After her recent meeting with the head of GUC, cooperation between customs and the police and border guards has improved significantly, the release says.

Also, the detection rate of smuggling offenses, including drugs, customs fraud and forgeries of customs documents has gone up.

The government is aware of the need of institutional changes involving customs and the prime minister has proposed that GUC be made responsible to the minister of finance instead of its present subordination to the minister for foreign economic relations. However, the dissolution of parliament blocked these changes.

The government is closely monitoring the operation of customs administration, the release says in conclusion.

Belarusian Consulate To Open in Gdansk

AU2707120193 Warsaw GAZETA WYBORCZA in Polish 26 Jul 93

[Report by Tomasz Ejtminowicz: "Belarus Comes to Gdansk"]

[Text] The first Belarusian consulate general in the world will open in Gdansk on 27 July, two years from the day our eastern neighbor became independent.

The most important task of the consulate, which has been unofficially operational since 1 August, is to look after Belarusian citizens in Poland. Consul Aleksey Shakhnovich regrets that most of the consulate's intervention work so far has concerned crimes committed by his fellow countrymen in our country.

"We hope that by expanding scientific, cultural and economic contacts between our countries, we will succeed in eliminating the stereotyped image of the Belarusians," he says.

A trade mission will soon be opened at the consulate. Its task will be to develop economic exchanges between Gdansk and Minsk.

The two cities are to be joined by an air link soon. A new border crossing for trucks has been opened at Berestovitsa, and several other crossings are planned, to add to the ones already existing at Brest and Kuzhnitsa.

The consul claims that there are no nationalist conflicts in Belarus. Minsk also believes that the situation of Belarusians in Poland is good—they have their own schools, newspapers, theaters, and museums, and there is a philological faculty at the Bialystok branch of Warsaw University.

The consul promises tourists wishing to visit Belarus that there are no problems with buying food there, with the exception of sugar and oil.

The activity of the consulate will embrace 11 voivodships of northern Poland. An intergovernmental agreement foresees the opening of another Belarusian consulate in Bialystok, and Polish consulates in Grodno and Brest.

Minister Views Future of Russian Gas Imports

AU2807112093 Bucharest TINERETUL LIBER in Romanian 23 Jul 93 p 3

[Interview with Industry Minister Dumitru Popescu, by Stelian Damov; place and date not given: "Romania Owes the Russian Federation $62 Million for Imported Gas"]

[Text] [Damov] A few days ago you visited the Russian Federation. What was the result of the visit and what was the solution to the problem of the $80 million debt that we have for imported gas? Is there a similar situation with Moldova and Ukraine and were there any threats?

[Popescu] No, there were no threats and we have to admit that this honors our partner. There were no threats, although we have debts. True, the debts of those that you have just mentioned are much greater than ours. The $80 million is no longer $80 million. This has been brought up to date and when I left Moscow it stood at $62 million on 1 July. This was the latest amount on which I was authorized to conduct negotiations. For this purpose, in the past week we concluded contracts worth $36 million in Romanian goods that we have to deliver. Then we have to pay another $24 million "cash." It has to be paid and I promised that it will be by August at the latest. When I promised this I had in mind certain things: I talked to Mr. Vacaroiu and he agreed that we should try to pay them either from foreign credits or from our exports. The remainder of the payments in goods can wait, but the hard currency payment in "cash" cannot any longer. This does not mean, however, that, if we cannot pay, the gas deliveries will be halted on 1 September. But the Russians will be monitoring this and in the winter they may "admonish" us.

[Damov] After all, they control the "tap"...

[Popescu] Not only do they control the "tap," but they too are actually facing extremely serious problems. It has to be said that they are experiencing greater trouble and difficulties in industry than we are!

[Damov] One could almost say: "Charity begins at home!"

[Popescu] Certainly. They also have blockages; they have no hard currency either and wages are not being paid because they have no hard currency.... For them, $24 million is important, because they will be able to pay the wages with it. We will pay them back. We have to seek a payment formula because gas deliveries are guaranteed up to 1 October. After that date, however, that is, the fourth quarter, we will have to conclude a new contract. We have discussed things with them; we know what they want and what we have to do.

PNL Declaration on Ways To Improve Situation

AU2607170293 Bucharest CURIERUL NATIONAL in Romanian 16 Jul 93 p 3

["National Liberal Party Declaration" issued by the party's Central Executive Committee on 10 July 1993]

[Text] The Central Executive Committee of the National Liberal Party [PNL] met on 10 July 1993 to examine the situation in Romania, one year after the less-than-expected results reached by the party in the parliamentary elections, at a moment when the acute crisis is unsettling the country in economic, social, and political areas.

The PNL has noticed that the liberal ways and methods of action are nonconclusively represented in the current situation, although it has been unanimously recognized that they represent the only viable alternative for pulling Romania out of the crisis.

The PNL notices a return of socialist-type profiteers who have been active for the past 45 years to the forefront of the society. Thus, the PNL is not content only to revive itself but also calls on the true liberals to examine the current realities, eliminate the demagogy of the corrupt politicians' speeches, and replace it with practical solutions aimed at establishing a state of law with institutionalized separation of power. In such a state, the defense of the citizen's rights, the protection of individual and group initiatives, and the guarantee of private property, independence of justice, and social order should prevail.

The current parliament and the executive power, which include old bureaucrats who try to apply centralist socialist type of methods, fail to move forward and show lack of efficiency, either because of political reasons or due to incompetence.

The PNL has decided to take action through all possible means, as well as take a legal initiative, as follows:

—Improve the land law and speed up the distribution of ownership certificates; encourage peasants to till their land through financial, technological, and technical assistance as well as by guaranteeing comfortable acquisition prices;

—Set up rapid privatization mechanisms aimed at strengthening the private sector in the fields of consumer goods production and services, the only way in which one can ensure the nation's prosperity;

—Improve the system of taxes and fees in order to ensure the necessary income of the state, but at the same time encourage the investment system (the only way to ensure a social and economic revival);

—Curb the process of inflation;

—Stimulate the creation of new workplaces;

—Veritably improve the cultural-educational system, the health care system, and social assistance;

—Increase the efficiency of public administration, of the legal bodies, and law enforcement bodies, with a view to enhancing the people's feeling of confidence in a country of law and order;

—Curb and eliminate corruption, a phenomenon that has acquired new and violent shapes as early as the first days of the National Salvation Front's ruling, a phenomenon that seriously affects all the institutions of the country and the social body. The old system's elite members tried to convert to their private property as many goods of the state administration as possible;

The action of fighting corruption requires much effort and the establishment of firm and liberal order in the social body. The PNL is determined to promote the clear principles of public morality among its members, sympathizers, and Romanian society and asks its representatives in public administration to fight all forms of corruption.

The PNL forcefully asserts itself as an opposition force against the current power and will not accept to join a government that is discrediting liberal ideas.

Surveillance Flight Begins Over Hungary

AU2807061793 Bucharest Radio Romania Network in Romanian 1900 GMT 27 Jul 93

[Text] A Romanian team will carry out surveillance flights over the Republic of Hungary from today until 31 July. The flights take place in accordance with the agreement reached between the Government of Romania and the Government of Hungary regarding the establishment of the 'open sky' regime. This is the 3d flight that Romania has carried out in 1993 out of four planned flights. Contrary to the previous surveillance flights, observers from Germany, France, Italy, and Britain were invited to participate in this flight.

The communique we received from the Ministry of National Defense stresses that all surveillance flights carried out so far have taken place in very good conditions and they made a contribution to the increase of confidence between the two states. Likewise, the implementation of this bilateral accord—the first such accord in Europe—has a great international response. An increasingly greater number of states are interested to send observers or obtain certain data regarding the organization and unfolding of these missions. The surveillance flights carried out so far have been very useful for the Romanian and Hungarian experts because they permitted the testing of procedures and specific technological means that will be used also during the implementation of the general European 'open sky' accord that is expected to come into force in 1994, the Romanian National Defense Ministry informed us.

June Economic Indexes Announced

AU2807082793 Bucharest ROMPRES in English 0741 GMT 28 Jul 93

[Text] Bucharest ROMPRES 28/7/1993—"Industrial production increased in June by 4.9 percent compared with May and by 9.4 percent compared with June 1992," announced the director of the National Commission of Statistics Alexandru Radocea, in a press conference on Tuesday July 27.

Industrial production recorded growth in June compared with May with the following set of products: Coal, gasoline, Diesel oil, fuel oil, bearings, certain types of electric motors, ferrous metallurgical products. Decreases were recorded with the following products: Oil, methane gas, blast-furnace coke, soda products, synthetic fibres and yarns. On the whole, the production of the first semester of 1993 decreased by 7.5 percent compared with the same period of 1992.

In the first 1993 semester, industrial economic agents recorded a production worth 5,450.2 billion lei while deliveries to domestic and foreign markets amounted to 5,384.4 billion lei.

The number of employees in industry at the end of June was by 12.8 thousand smaller than that recorded at the end of May. The proportion of occupied work time was in June 85.3 percent compared with 86.9 percent in May.

As for agriculture, a number of 9,164.1 thousand hectares out of a total of 9,317.6 hectares were cultivated by June 15 (157 thousand hectares less than in 1992).

As for foreign trade, exports on hard currencies mounted to 345.8 million U.S. dollars (9.7 percent higher than the one recorded in May). Imports on hard currencies amounted 336.0 million dollars (18.7 percent lower than that of May). The trade balance deficit for the first semester of 1993 was smaller than the one recorded for the same period of 1992.

Retail sales in June totalled 307.2 billion lei which is by 5.7 percent smaller than the ones recorded in May.

The average nominal salary in June accounted for 58,917 lei which means an increase by 15.4 percent compared with May and by 203.3 percent compared with June 1992.

Foreign Media Bulletin: Balkan Crisis 28 July
WA2807142493

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Participants at Bosnian peace talks in Geneva say progress being made ... French UNPROFOR troops in Sarajevo attacked again ... Muslim forces reportedly expelled 63,000 Bosnian Croats ... FRY health minister warns of dire consequences if humanitarian aid not exempted from international sanctions ... Monetary chaos reported in Serbia.

DIPLOMATIC

BOSNIAN PEACE TALKS CONTINUE (Sarajevo Radio, Belgrade Radio): Bosnian President Izetbegovic says Bosnian peace talks "going well," Both proposals—for a unitary federation and for a confederation of three ethnic units—on the negotiating table. Bosnian Serb leader Karadzic calls talks "encouraging," while Serbian President Milosevic says he is "optimistic" that an agreement will be reached. (AU2707185693, LD2707224893, AU2707200093)

MILITARY

FRENCH TROOPS COME UNDER NEW ATTACK (TANJUG): French UNPROFOR base shelled for second time in three days. Bosnian Serbs, Muslims exchange accusations; UNPROFOR officer says uncertain who opened fire and whether shelling was incidental or deliberately aimed at UNPROFOR. (LD2707212193)

HUMANITARIAN

BOSNIAN CROATS REPORT EXPULSION (TANJUG): Bosnian Croat forces say 63,000 Croats have been expelled from Travnik region by Muslim units. Additional 605 reported executed by firing squad. (LD2807102893)

SANCTIONS

FRY MINISTER URGES AID BE EXEMPTED (TANJUG): FRY Health Minister Popovic warns of "grave" consequences if humanitarian aid not exempted from international sanctions. Popovic says mortality rate and increase in spread of diseases among population rising dramatically. Humanitarian aid currently requires approval of UN sanctions committee, whose Muslim members, Popovic contends, are "turning down all humanitarian requests." (LD2707223993)

POLITICAL

MONETARY CHAOS IN BELGRADE: TANJUG reports "monetary chaos" in Belgrade as depositors wait in long lines "for hours" to withdraw money, Belgrade mint working "two or even three shifts" in effort to print more money. Shops raising prices by 100-700 percent "twice a day," leading to "unofficial" inflation rate of "20 percent daily." Serbian government announces "those responsible for unjust price increases" will be treated as "war profiteers." (LD2707162093)

French UNPROFOR Troops in Sarajevo Shelled Again

LD2707212193 Belgrade TANJUG in English 2042 GMT 27 Jul 93

[Text] Belgrade, July 27 (TANJUG)—French UNPROFOR [UN Protection Force] soldiers were again Tuesday fired on in Sarajevo when the shells hit the television center in which they were accommodated, REUTERS reported.

A French officer, who the agency said asked not to be identified, said seven shells fell on the center.

He said they did not know whether the shelling was aimed at UNPROFOR so they did not respond and added that he did not know who opened fire.

Several shells fell Sunday on Sarajevo's Zetra sports hall where UNPROFOR was situated.

Bosnian Moslems, but also U.N. Secretary-General Butrus Butrus-Ghali, accused Bosnian Serbs for the attack.

President of the Serbian Republic in Bosnia-Herzegovina Radovan Karadzic and Chief of Staff of the Bosnian Serb Army, Gen. Manojlo Milovanovic, denied this Sunday night and accused Bosnian Moslems for the attack.

The initial results of the Serb-conducted inquiry prompted Karadzic and Gen. Manojlovic to say that the attack was carried out by the Bosnian Moslems, who accused the Serbs in order, as has happened before also, to hinder the peace talks on Bosnia-Herzegovina and invite a foreign military intervention.

No Casualties Reported

AU2707185493 Paris AFP in English 1834 GMT 27 Jul 93

[Excerpt] Sarajevo, July 27 (AFP)—Several shells exploded near a French peacekeepers base in Sarajevo Tuesday afternoon, but U.N. sources suggested the troops had not come under deliberate attack.

Seven shells landed 500 metres (yards) away from the base of a French battalion unit in the Bosnian radio and television centre, two fell 80 metres away, one of these hitting the roof of an adjoining building. There were no casualties or damages.

Major Luuk Niessen, a U.N. press officer, said the shells were not directed at the unit.

"80 metres for us is not really close", he said, adding that there was therefore no need to retaliate.

Sunday, 68 Serbian shells hit a French engineers' facility in the Bosnian capital, prompting Belgian General Francis Briquemont, U.N. Bosnia commander, to order his troops to fire back in case of further such incidents.

Meanwhile, France has called on the U.N. and NATO to quickly provide air cover to protect the peacekeepers in Bosnia from attack, the foreign ministry announced in Paris.

Meanwhile, sniper fire continued to crackle in downtown Sarajevo on Tuesday, while Zuc, a hill in the northern Sarajevo, was targetted by Serb artillery throughout the day. The hill also came under Serb infantry assault, Bosnian army officials said.

One 12-year-old old boy was reported to have been killed in shelling in the northwestern quarter of Buca potok.

Sarajevo remained without basic utility services Tuesday.

There was only water from the brewery in the eastern part of the city and there was no progress in resuming electricity supplies as the U.N. said it had not got clearance to carry out repair missions on the Serb side. [passage omitted]

France To Complain to UN

LD2707183493 Paris France-Inter Radio Network in French 1800 GMT 27 Jul 93

[Text] The French UN troops were shelled again in Sarajevo today. Shells fell on the television building, where they were setting up a telecommunications base. It is impossible to say whether they were targetted, but France is calling, without delay, for air cover and the reinforcement of troops in the field. France has decided to complain to the United Nations.

'Most Intensive Attack' on Sarajevo Reported

AU2807100493

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 28 July within its regular 15-minute newscast carries several reports on the fighting in Bosnia-Herzegovina.

A studio announcer says that "a general danger alarm was sounded in Sarajevo at 0915 [0715 GMT]."

A report from Olovo by a correspondent whose name is indistinct says that "attacks by Serbian chetniks from the hills in the free territory of Olovo have continued with unabated intensity. During the night, mortars, a tank, and a howitzer launched (?several) shells from the well-known chetnik strongholds at the defenders' positions. Projectiles were also falling on the civilian settlements of [names indistinct]. This morning, artillery, tank, and mortar operations continued with the same intensity, shelling all defense lines and the town center."

Hajrudin Sermic reports from Maglaj that "Serbian aggressors and Croatian Defense Council extremists are continuing the realization of their bloody, criminal scenario of physical destruction and genocide of the people in Maglaj." Further on in his report, Sermic says that "during the entire day yesterday and until late in the

night, Maglaj and its citizens were target of bestial attacks with howitzer projectiles of the 105-mm, 122-mm, and 155-mm calibers."

A report by the First Corps Information Service says that "what was taking place at Zuc hill yesterday and last night has probably never, in any war, been noted," and that "never before has such a quantity of steel, lead, chemical agents, and all kinds of forbidden lethal measures fallen on a small space such as Zuc hill. This was the most intensive attack on the Sarajevo front since the beginning of the war." Further on, the report says that "yesterday and last night, until shortly before midnight, artillery and chemical attacks, as well as chetnik infantry assaults on Sarajevo continued. The Army of Bosnia-Herzegovina troops managed to repel most enemy attacks from four different directions; the most intensive attack was directed at Golo Brdo. Because of extremely active artillery activity, the defenders were forced to take new positions, but during the night our forces consolidated their ranks and the fighters continued the frontline defense of the city's northern outskirts."

Serbs Firing 'Chemical Projectiles'

AU2707195093

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1700 GMT on 27 July carries in its regular 24- minute newscast several reports on continued fighting in the Republic.

In his report from Brcko, Hamiz Deronjic says that "this afternoon brought ferocious shelling of the defense positions with howitzers, tanks, recoilless guns, mortars of all calibers, Praga, and Bofors. The aggressor's artillery has been particularly fiercely pounding the central part of the Brcko defense. The massing of manpower and equipment along the entire front line indicates that the enemy is preparing to launch even heavier armored-mechanized and infantry attacks."

The Seven South operative Group Press Center reports that "throughout the day the Serbian aggressor used his artillery and Bofors to annihilate Maglaj, while one of the strongest attacks has been registered at 1430 [1230 GMT] against civilian targets in the area. All the defense lines are very stable and that only leaves the aggressor to kill civilians in a cowardly way from (?Todorovici) and Rujnica. As for the positions of the Doboj defenders and the 110 Usora Brigade of the Croatian Defense Council [HVO], they have been shelled by the aggressor's mortars, and occasionally antiaircraft guns and machine guns, while new grouping and digging in of the aggressor's forces has been registered. The chetniks have set the Muslim villages of Lepe and Durme on fire in the region of Cevarlija."

Reporting from Olovo, Velid Djindo says that "throughout the day the enemy howitzers and mortars of all calibers have been destroying the remaining buildings in the town. The defense lines are firm and impenetrable thanks to the high moral of the fighters of the First Olovo Hill Brigade, the 126 Brigade, the Sokolac Communal Headquarters, and the HVO Matija Divkovic Brigade."

The Gradacac Information Center reports that "at 1500 an enemy tank and hill cannons shelled the center of the town. The roads leading to the town have particularly been targeted."

Salih Brkic reports from Tuzla that "only sporadic enemy small arms fire could be heard on the fronts today."

In his report from Gorazde, Enes Musovic says that "this morning the chetniks fired some 10 (?75-mm) mortars at the outskirts of the town." He says that "the chetniks have attempted several infantry breakthroughs on the line toward (?Orakovci), but they were all repelled." According to him, the citizens of Gorazde "are only surviving thanks to the airdrop operation, which was resumed last night after a two-day pause."

Describing the situation in Sarajevo, the Bosnia-Herzegovina Army First Corps reports that "the enemy artillery attacks on the defense lines of Zuc are still under way. On the rare occasions when the fierce fire from howitzers and mortars dies down, heavy infantry clashes take place. The Serbian-Montenegrin forces have launched several infantry attacks so far, but they have been repelled when the defenders opened heavy fire on them. Infantry clashes of the most ferocious kind are still under way on Golo Brdo." The report says that "the chetniks have, like never before on the Sarajevo front, used the tear gas [nadrazljivac] chemical agent. Just since this morning up till now, they have fired 30 chemical projectiles on the area of Zuc. This is the amount they normally fire in a month."

Muslim Attacks on Suburbs

LD2707172493 Belgrade TANJUG in English 1702 GMT 27 Jul 93

[Text] Belgrade, July 27 (TANJUG)—Eight Bosnian Serb civilians were wounded on Tuesday in Sarajevo when they were attacked by Moslem artillery and snipers in the Serb suburbs of Lukavica and Grbavica, said the Bosnian Serb news agency SRNA.

SRNA reported renewed Bosnian Moslem artillery and infantry attacks on Bosnian Serb positions in the Sarajevo suburb of Vogosca, and said that the Serb troops have so far successfully repelled the offensive.

The situation in the other parts of the Sarajevo region was calm on Tuesday.

Bosnian Serb military sources say that the fiercest Moslem attacks were in the region of Doboj (northern Bosnia) where the Moslems used mortars and infantry weapons in the area of the Svetlice village.

The Serb troops responded and forced the Moslems to withdraw, it is said.

According to the same source, the Moslem forces on Tuesday launched unsuccessful attacks on Bosnian Serb positions close to Teslic (central Bosnia) and used heavy artillery along the Zavidovici front (also central Bosnia).

In other parts of Bosnia-Herzegovina, destroyed for the past 16 months by a fierce civil war between the local Moslems, Serbs and Croats, Tuesday was relatively quite, the Bosnian Serb army said.

The Bosnian Serb army authorities on Tuesday continued to allow and secure the safe passage through their territories to U.N. humanitarian convoys heading for the Moslem enclaves in eastern Bosnia—Tuzla and Zepa.

The U.N. representatives in Bosnia several times charged the Bosnian Croats of blocking the passage for relief aid convoys and said that in the future all such convoys will go through the Srpska republic.

HVO Commander Tells UN of Weapons in UN Convoy

LD2707181893 Mostar Croatian Radio Herceg-Bosna in Serbo-Croatian 1600 GMT 27 Jul 93

[Excerpt] General Milivoj Petkovic, commander in chief of the Croatian Defense Council [HVO], sent a letter today to General Francis Briquemont, UNPROFOR commander for Bosnia-Herzegovina based in Kiseljak:

Esteemed General, it is personally embarrassing for me to to have to inform you about an event of the kind which in war conditions, particularly those we and you are facing, stir particular interest.

According to a report by my subordinate command of the northwestern Herzegovina operational zone based in Tomislavgrad, during a routine inspection of the contents of a convoy organized by a UN Canadian battalion at checkpoint Grla in the village of Lipa on 25 July, some firearm parts were found on one of the vehicles, which indicated that this was a possible case of the secret transportation of weapons. The checkpoint crew then ordered a search of the boxes which were found to contain firearms of Osa and Zolja type, while parts of mortars, pistols, optical equipment, and an electric command board were found in another container.

After the find was made, the convoy leader of the UN Canadian battalion, with the help of the UN military police, prevented any further search saying that they were obliged to consult their command in Ploce from which the convoy had departed.

The UN military police closed the containers and have not allowed access to them. After the return of the convoy leader he orderedthe convoy moved from the grounds of the Kablar company to the British UN base. Although our personnel had not completed the search, nor were they able to establish all important facts, in conversations with individual UN soldiers from the convoy escort we heard statements that beyond any doubt that the convoy was carrying weapons. But we did not get any information specifying the kind of weapons or who they were for.

The convoy leader arrived at the HVO Kralj Tomislav Brigade Command in Tomislavgrad at 2030 on 25 July, and told the present HVO officials that the searched containers were loaded in Ploce without his knowledge, that he had not known what they contained, and that it was not impossible that somebody had planted the contents of the containers.

I hope that you understand all the possible implications of a case when weapons are found in a vehicle of the UN peacekeeping force, whose origin the escort cannot explain, and which can provide logistic support for the other side. Although we have so far conducted routine searches of the UN vehicles, fully believing in the sacred nature of the task and the UN mandate, the case we have described and the overall conduct of the Muslim side, which secures weapons and ammunition for their offensive activities against the Croats using all possible means, we are forced to introduce a stricter regime of control for convoys and all vehicles, including the UN vehicles. [passage omitted]

Combat Situations in Brcko, Kadanj, Zavidovici

AU2807121593

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1000 GMT on 28 July within its regular 20-minute newscast carries several reports about the situation in Bosnia-Herzegovina.

A studio announcer says that the "Serbian aggressor is again attacking the free Brcko territory with all kinds of weapons. They are using aircraft again; (?five) enemy combat helicopters were noticed at 0600 [0400 GMT] this morning landing on the occupied part of the Brcko Commune. On several occasions during the last 24 hours, Serbian forces attempted infantry breakthroughs in the region of Lipovaca that were preceded by artillery attacks with tanks and Bofors. The enemy offensive on Brcko continued in the early morning hours today." A correspondent says that "since 0730 this morning, heavy 155-mm howitzers have been pounding the free territory."

The studio announcer says that "there is no peace on the Kladanj front either, where the Serbian aggressor is failing to respect the signed truce."

The studio announcer reports that "in the past 24 hours, the Serbian aggressors and the Croatian Defense Council extremists failed to respect the agreed cease-fire on the Zavidovici battlefield. Apart from provocations from antiaircraft machine-guns, (?snipers), and infantry weapons at the defense lines at Dubravice and (?Miholj), a projectile of the 'Oganj' type was also launched in the region of Dubravice. Attacks continued during the last night." A correspondent reads the report by the Bosna Operation Group Press Center saying that "the morning

of 28 July begun with provocative fire from the aggressor's submachine guns and infantry weapons on Mahoj and the Dubravica Valley. Since 0500, 120-mm mortar bombs have occasionally been landing on the town's outskirts."

The studio announcer quotes report by the Bugojno Press Center as saying that "it has been relatively calm along the Bugojno front in the last 24 hours. Twenty shells have been fired at the town from Serbian positions in Koprivnica, while the wider expanse of the town was shelled from the positions held by Croatian Defense Council extremists, who also opened infantry fire from the (?Gorica) [word indistinct]."

Edin Subasic reads a report by the Information Service of the First Corps of the Bosnia-Herzegovina Army which says that "Golo Brdo, Vis, Point [kota] 850, and other places are under Army control. According to the latest field reports, renewed shelling of our positions began about 1100."

The studio announcer says that "during the fierce offensive on Zuc yesterday, the aggressor fired about 2,000 (?shells) on the hill; this was announced at Sarajevo UNPROFOR Headquarters today. [word indistinct] shells fell in the vicinity of French UNPROFOR soldiers stationed in a section of the Radio Television building. The French did not fire back this time either, despite the solemn promise by their commander General Briquemont that they would do so at the first opportunity. The UNPROFOR says that there are founded suspicions that the shells were again fired by Serb units."

An announcer cites an UNPROFOR report "on heavy shelling of the part of Mostar populated by Muslims. The humanitarian situation in this part of the town with about 35,000 people is extremely dramatic."

Muslims Continue Artillery Attacks Around Brcko

LD2707091793 Belgrade TANJUG Domestic Service in Serbo-Croatian 0756 GMT 27 Jul 93

[Text] [No dateline as received]—Srpska Brka, Lipovac, and the village of Djukici are the newly established positions of the Srpska republic's army [VRS] in the southern sector of the Brcko front, TANJUG has learned at the command of the VRS 1st Posavina Brigade.

Refusing to come to terms with their defeat, Muslims forces continued firing throughout the night at the new Serbian defense lines south of Brcko, using infantry weapons and mortars. Muslim forces again received moral support yesterday afternoon from the territory of the Republic of Croatia when 16 missiles were fired from a multiple rocket launcher in Rajevo Selo and landed on Serbian held positions south of Brcko.

VRS reconnaissance groups noticed yesterday that the enemy is bringing in reinforcements from Tuzla and Gracanica, in an attempt to halt further Serbian advances toward Majevica.

Two Serbian combatants were slightly wounded in yesterday's fighting.

The morning hours are marked by usual Muslim armed activities against Serbian positions south of Brcko, while the first hours of the new day on the Orasje and Gradacac front are characterized by a deceptive lull.

Muslims Expel 63,000 Croats From Central B-H

LD2807102893 Belgrade TANJUG in English 1003 GMT 28 Jul 93

[Text] Belgrade, July 28 (TANJUG)—There are no more Croats in the regions of Kakanj, Fojnica and Travnik, towns in the central part of the war-ravaged former Yugoslav Republic of Bosnia-Herzegovina, the Zagreb-based Croatian Radio said on Wednesday morning.

The radio quoted the central Bosnian command of the operational zone of the Croatian Defence Council (HVO—Bosnian Croat Army) as saying that Moslem units had expelled 63,000 Croats and executed by firing squad another 605 in 160 Croatian villages and in 60 villages with a mixed Croat-Moslem population.

Another 205 Croats are still held captive in the region of Novi Travnik, according to the radio.

The radio said there was not a single Catholic religious buildings between Travnik and Fojnica and added that Moslems had pulled down three monasteries and ten churches.

Croats, traditionally Catholic, and Moslems were allied against traditionally Eastern Orthodox Serbs at the beginning of the now 16-month-long civil war in Bosnia-Herzegovina. In the past few months, however, they have been clashing increasingly often over territories with a mixed Croat-Moslem population.

The Moslem-controlled Sarajevo Radio on Wednesday morning reported about fierce HVO artillery attacks on the towns of Zavidovici and Maglaj, northern Bosnia-Herzegovina. Four persons were killed and four wounded in Maglaj, while two civilians were wounded in Zavidovici, the same source said. The central area of Maglaj was ruined by Croatian shells, the source said.

HVO Claims 205 Croats Killed in Fojnica Area

LD2707224793 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 27 Jul 93

[Text] The central Bosnia Croatian Defense Council [HVO] announced that today the Muslim army forced parts of the outnumbered battalion of the Fojnica HVO into retreat, occupying the large Croatian village of Ostroske Sitonje and its surrounds. In addition to mounting artillery and infantry attacks on Vitez, yesterday the Muslim army also closed the water supply network of Kruscica. Today, the HVO Operational Zone Command sent a document to international factors,

pointing out the causes and dramatic consequences of the Muslim aggression in central Bosnia.

Four towns are under occupation, including the towns of Travnik, Kakanj, and Fojnica which have in effect been ethnically cleansed of Croats. Over 60 villages populated by nearly equal numbers of Muslims and Croats and 160 exclusively Croatian villages have been partially or completely occupied, ruined, burned down, and ethnically cleansed. Over 63,000 Croats have been driven out or fled. About 20,000 remain in Zenica and in parts of the Kakanj municipality and Travnik. They are being treated like slaves there. They are forced to remain because they are banned from leaving under the threat of death. A resolute demand for their release has been sent to all international factors.

About 600 civilians are being held captive in Muslim villages near Novi Travnik and Busovaca. In the occupied territory members of the Muslim army have executed and massacred 205 civilians. These are not the final figures. Between Travnik and Fojnica three centuries-old Catholic monasteries—Guca Gora, Kraljeva Sutjeska, and Fojnica—have been desecrated and demolished as well as dozens of other churches and chapels. The cultural heritage and every trace of Croats in this area have been destroyed, it is stated in this document.

Presidency Member Rejects 'Peace at Any Cost'

AU2807092693 Vienna KURIER in German 28 Jul 93 p 3

[Report on interview with Tatjana Mijatovic, member of the Bosnian State Presidency, by Ingrid Steiner in Geneva; date not given: "We Will Not Accept Peace at Any Cost"]

[Text] As a member of the Bosnian State Presidency, Tatjana Mijatovic is taking part in the Geneva talks on a peaceful solution for Bosnia. Even after 16 months of war, the Serb from Sarajevo continues to fight for the coexistence of all ethnic groups in Bosnia. In an interview with KURIER, she discussed the following:

The Proposal of the Bosnian Presidency

"We want to talk about a sovereign and uniform Bosnia. Different views existed within the Presidency, particularly between President Izetbegovic and Fikret Abdic, who had to settle open private conflicts. But now we have adopted a common position. Abdic also agreed to a federation for Bosnia."

Pressure by the Serbs and Croats To Accept Bosnia's Partition

"I fear that the war will continue if the Bosnian Presidency insists on a federation. The Bosnian people will then be threatened with extinction. A total of 140,000 people—one-tenth of them children—have been killed so far in the fighting. The Bosnians can hardly survive another winter of war. There is no longer any gas or heating material in Sarajevo. All the trees have been felled, and the parks have disappeared."

A Possible Compromise Between the Opponents

"The solution might lie between a federation and a confederation, as demanded by the Serbs and Croats. Yet we will insist on a minimum of demands: The continued existence of a uniform Bosnia and equal rights for all ethnic groups living there. We cannot accept peace at any cost. The price of Bosnia's disappearance would be too high."

Living Together in Sarajevo

"Great pressure is being exerted from outside to show that the ethnic groups in Sarajevo cannot live together. However, people are still living together in the houses without any problems. I am a Serb, but I have always lived well here—until now."

French Aid Worker Released by Bosnian Army Unit

AU2707135393 Paris AFP in English 1339 GMT 27 Jul 93

[Text] Sarajevo, July 27 (AFP)—Tomislav Chetouane, a French aid worker released on Monday [26 July] after 10 days of imprisonment by a Bosnian Army unit on Mount Igman, called the whole affair a "misunderstanding" on Tuesday [27 July].

The 28-year-old Frenchman, who works for the non-governmental organisation Solidarite, told journalists he was stopped while driving his car on July 16 on Mount Igman which overlooks Sarajevo. He was going with the mayor of Trnovo to the Sarajevo suburb of Hrasnica to pick up blankets and mattresses for the refugees on the mountain.

Trnovo, a town on the foothills of Igman, fell into Serb hands on July 10 and all the villages around it were evacuated. Since a strong Serb offensive was taking place on the mountain, the fact that Chetouane had a radio in his car led Bosnian soldiers to suspect he was spying and guiding bombs on Trnovo.

The soldiers interrogated Chetouane, and he had to explain the work he had been doing in the area for two months.

Chetouane was imprisoned together with four or five deserters from the Bosnian Army. The detention conditions "were good", said Chetouane. He was treated well, getting meals regularly, but was allowed to leave the premises only for basic needs.

His jail was near the headquarters of "Zuka" unit, and there was another jail there for Serb detainees. There were some four to five imprisoned Serb soldiers at the time of Chetouane's imprisonment. They, also, were well treated, "maybe even better since they were getting one meal more every day".

UN Approves Deployment of Blue Helmets in Krajina

LD2707220993 Belgrade TANJUG in English 2059 GMT 27 Jul 93

[Text] Knin, July 27 (TANJUG)—Commander of the United Nations Protection Force (UNPROFOR) in former Yugoslavia General Jean Cot on Tuesday approved the operational plan for the deployment of U.N. peace forces in the south of the Republic of Serb Krajina, from where forces of the former Yugoslav republic of Croatia are to withdraw, UNPROFOR spokesman Shannon Boyd said.

The Croatian forces seized these territories in an aggression on Krajina which is a U.N. protected area.

Boyd specified that Croatian military and police forces would withdraw from the regions of Maslenica, Zemunik, Miljevac and Peruca, and that the Maslenica bridge would be opened to traffic.

Military observers of the UNPROFOR have already taken position along these regions. And many new observers and U.N. troop from other sectors are due to arrive here as well, said the UNPROFOR statement read by Boyd.

Reinforcements for the police and the civilian sector of the UNPROFOR are also expected so that they can fulfil their obligations stemming from the Serb-Croat agreement reached in Erdut as soon as the U.N. troops arrive, said the UNPROFOR statement.

Croatia and Krajina agreed in Erdut on July 15 that all Croatian troops will withdraw by July 31 from the occupied parts of Krajina which they seized during the aggression in late January and in June 1992.

In return, Krajina will permit Croatia to open to traffic a pontoon bridge over the Maslenica Gorge and Zemunik airport near the Croatian coastal city of Zadar. These two objects, and the Peruca dam, will be under exclusive control of the UNPROFOR, under the Erdut agreement.

Serbs formed the Republic of Serb Krajina in 1991 in that part of Croatian territory where they are the majority population, refusing to secede from the former Yugoslav Federation and to have their civil and national rights downgraded by the Croatian authorities. The Republic of Serb Krajina, after clashes between Croatian forces and the local Serbs, was proclaimed a United Nations protected area (UNPA) in Spring last year.

"Implementation of the Erdut agreement will be a vital step towards the restoration of peace and the normalisation of Serb-Croatian relations in and around U.N. protected areas," Gen. Cot said in the UNPROFOR statement.

The UNPROFOR force commander appealed to both sides for maximum discipline, restraint and cooperation with the UNPROFOR, warning that anyone who tried to undermine this very important step towards peace in this area would bear great responsibility.

The statement said that Gen. Cot expressed great concern over the confirmed reports on the burning of houses and crops in zones from which the Croats are to withdraw.

Krajina military sources repeatedly reported these days that Croatian forces were burning and tearing down houses in the now occupied Serb villages Islam Grcki and Kasic in order to eliminate all traces of the centuries-long existence of the Serb people in these regions. Under the Erdut agreement, these villages will in future be controlled by the Krajina police and the UNPROFOR.

Gen. Cot assessed that hostilities in sector south of this UNPA had considerably subsided. However, Boyd said, "what may be undisciplined elements appear to be conducting deliberate provocations through shelling, armed incursions and destruction of villages."

UN Troops Arrive To Take Control of Maslenica Bridge

AU2607150193 Paris AFP in English 1440 GMT 26 Jul 93

[Text] Belgrade, July 26 (AFP)—Two companies of Canadian U.N. troops were due Monday to start taking control of the strategic Maslenica bridge and a nearby airport in southern Croatia, U.N. spokeswoman Jeannie Peterson told AFP.

The troops, who arrived in the region late Sunday and who are expected to finish deploying Tuesday, moved in as part of a five-point peace plan to end fighting between Croatia and Serb secessionists.

The deployment comes eight days after Croatian President Franjo Tudjman officially opened a reconstructed bridge at Maslenica, a key crossing linking northern Croatia to its Dalmatian coastline.

Canadian U.N. troops arrived ahead of the July 31 deadline for the withdrawal of the Croatian army and police from the bridge and airport zones, in line with the mid-July peace accord signed by Zagreb and rebel Serb nationalists.

In addition the accord, signed under the auspices of the Conference on the former Yugoslavia, provides for a Croatian withdrawal from the Peruca dam, also recaptured in a January offensive.

The three sites will be placed under U.N. control except for three villages which are to be jointly patrolled by Serb police and U.N. peacekeepers.

Peterson said she had no details on when the Croatian pull-out would start, but said the U.N. force was in contact with both sides on implementation of the plan.

The Maslenica bridge zone, destroyed by Serb nationalists, and Zadar airport, were recaptured by the Croatian

army during a surprise offensive in January which ended almost a year of relative peace in the U.N.-monitored zone.

The destruction of the bridge, the Dalmatian coast's only link with northern Croatia, cut off around a million Croats from the capital Zagreb.

The January attack reflected Zagreb's mounting frustration at its inability to regain control of the 30 percent of Croatian territory seized by breakaway Croatian Serbs for their self-declared republic.

Accusations of Mistreatment of Refugees Rejected

LD2707215293 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 27 Jul 93

[Text] The Croatian Government's Office for Refugees and Displaced Persons has forwarded to HINA [Croatian news agency] the reply from Dr. Adalbert Rebic, director of the office, to the letter he received on 23 July from Bisera Turkovic, the Bosnia-Herzegovina ambassador to Croatia.

In her letter, Bisera Turkovic briefed Dr. Rebic on her visit to a refugee center in Gasinci, with an enclosed report about expelled citizens of Mostar who are being accommodated in the center. She claims that the government office and the Croatian police have harassed the expellees.

In his reply Dr. Adalbert Rebic rejected all the accusations against the office and the Croatian authorities and recalled that 277,000 refugees from Bosnia-Herzegovina are still living in Croatia, that 11,000 of them have arrived in the last month, and that in providing care for them all international conventions on human rights have been strictly observed. Noting that all refugees who have arrived in Croatia from Bosnia-Herzegovina were expelled by the Serbs, Muslims, or others, Rebic said that the office cannot know which displaced persons she was referring to, and that he is amazed that Ambassador Turkovic had not shown any interest in 6,138 Croats who were expelled from the Lasva valley by the Muslims, whom the office received a month ago.

Dr. Rebic also informed the ambassador about the decision that, due to accusations by the foreign press and her own accusations, the government office will receive Muslim refugees from Bosnia-Herzegovina only in agreement with the UN High Commissioner for Refugees and in cases of family reunions, in order to eliminate any doubts, particularly the doubts expressed in the enclosed reports, about unfair treatment of the Muslim refugees.

HDZ Rejects Opposition's Coalition Demands

LD2707221893 Zagreb Radio Croatia Network in Serbo-Croatian 1700 GMT 27 Jul 93

[Text] A session of the presidium of the Croatian Democratic Union [HDZ] was held in Zagreb yesterday, presided over by Party Chairman Franjo Tudjman. As was announced today, the presidium reviewed demands for a radical change in internal and foreign policies voiced by opposition parties which stress that there are also people in the ruling party who support such views. Following a detailed discussion, the presidium unanimously decided that there are no reasons for accepting such demands, and that these demands aim at destabilizing Croatia and the ruling party.

Regarding the occupied Croatian areas, the HDZ presidium supports the state policy. A statement adds that in connection with the Bosnia-Herzegovina crisis, the HDZ presidium unanimously agrees that the current policy does not need to be changed, considering that the only possible solution is to set up Bosnia-Herzegovina on confederate principles through an agreement of the three constituent nations.

Through the principled implementation of its program, the HDZ has achieved the creation of independent and sovereign Croatia and a more stable economic and political order than other post-communist countries. The HDZ presidium believes that the demands to create a coalition government aim primarily at destabilizing and changing constitutional principles adopted on the basis of the democratically expressed will of the nation. This is said in the statement of the HDZ presidium which announced that the party's next general assembly will be held in Zagreb on 15 and 16 October this year.

Foreign Minister Criticizes European Role in Bosnia

PM2707143693 Paris LE FIGARO in French 27 Jul 93 p 4

[Stephane Kovacs report: "Former Yugoslavia: 'The European Diagnosis Was Wrong'"]

[Text] "The Croatians stress that they want to safeguard Bosnia. So do we. But I must admit that Croatian policy does not seem very clear to us." Slovene Foreign Minister Lojze Peterle, who had a meeting with Alain Juppe, his counterpart, in Paris a few days ago, hesitates to condemn the Croatian policy in Bosnia: "We do not recognize 'Croatian fascism.' We are opposed to ethnic cleansing, but everybody is practising it. It is difficult to take a stance against just one of the sides." "We have some problems with Croatia," Lojze Peterle admitted, citing the adjustment of the maritime border and the Krsko nuclear power station situated in Slovenia, but built jointly by the two republics. "But we are going to try to solve them quickly."

Partitioning Bosnia is not a solution, the Slovene minister thinks, and he says he is "in favor of a federal organization which would be fair toward the Muslims." He regrets the "numerous opportunities wasted" by the international community for ending the conflict. "From the start, its diagnosis was wrong," Lojze Peterle stressed, "and so the remedy was also wrong," the minister also alleged, expressing the view that "recognition of the different republics by the United Nations, and the arms embargo have come too late."

Slovenia, which is presenting itself as "a new country on the sunny side of the Alps," now wants to anchor itself rapidly to the EEC. Ljubljana has already moved closer to the countries of the "Visegrad Group" (Hungary, Poland, the Czech Republic, and Slovakia). The economic situation of the richest of the former Yugoslav republics is "relatively good." When it created its own currency, the tolar, in 1991, Slovenia had an inflation rate of more than 20 percent per month. At present it is around 2 percent per month. Currency reserves total $1.3 billion. "We are carrying out a thorough reorganization of our banking system and we have adopted a law on privatization," Lojze Peterle explained. "Foreign capital is arriving, new enterprises are being created. We are constructing a new road and railroad network with the EC's aid." The little republic of 2 million inhabitants now carries out 70 percent of its trade with the EEC. "A result which no other country in Central Europe has achieved," the minister stressed. "We see Slovenia in the forefront of the countries in transition. We can serve as a model for the others."

Federal

Minister Requests French Help To Remove UN Sanctions

LD2707223993 Belgrade TANJUG in English 2138 GMT 27 Jul 93

["Pool" item]

[Text] Belgrade, July 27 (TANJUG)—Yugoslav Labor, Health Care and Social Policy Minister Velibor R. Popovic warned Tuesday of the grave drama which awaits this winter 10.5 million citizens in the Federal Republic of Yugoslavia (F.R.Y), and some 700,000 refugees and several thousand wounded, if humanitarian aid was not exempted from the U.N. sanctions against Yugoslavia.

In a talk with French National Assembly delegation, Popovic asked that the French Government support exemption from sanctions pharmaceuticals, medical and sanitary equipment, parts for medical equipment and raw materials needed for these products, as the U.N. Security Council resolution envisages, said the Yugoslav Information Ministry. The statement pointed out that in this way abuse of humanitarian aid to political means would be avoided.

Humanitarian aid is exempt from the sanctions, but it does need permission from the U.N. sanctions committee, whose members, mostly from Moslem countries, were turning down all F.R.Y. humanitarian requests.

Popovic presented to the French delegation all the data concerning the dramatic rise in the mortality rate and increased spread of disease among the F.R.Y. population. Head of the French delegation Yves Bonnet said the drama of the Yugoslav health care system was evident, but that doctors and the broader French public knew little about this. He promised he would take concrete steps in the French public as regards humanitarian aid to Yugoslavia.

The U.N. sanctions have in a most drastic way questioned the human rights of the F.R.Y. citizens, it was set out Tuesday in the talk Yugoslav Minister for Human Rights and the Rights of Minorities Margit Savovic had with the French delegation.

During the talks, Bonnet presented the Ministers Savovic and Popovic with the French National Assembly medals, the Information Ministry set out.

Yugoslav Foreign Minister Vladislav Jovanovic, too, talked with Bonnet Tuesday. The topic discussed included F.R.Y.-French relations at both the international and bilateral levels.

TANJUG Reports Monetary Chaos

LD2707162093 Belgrade TANJUG in English 1455 GMT 27 Jul 93

[by Milica Knezevic]

[Text] Belgrade, July 27 (TANJUG)—Belgrade banks are still extremely crowded on Tuesday, clients waiting for hours to receive either cash or cheques.

Shortages of ready money have been increasingly dramatic the past ten-odd days even though the Belgrade mint works two or even three shifts, its money printing presses becoming near red-hot.

On Thursday, a new 50-million-dinar banknote went in circulation but this highest-denomination bill is worth near under 4 German marks at street value.

Mounting quantity of money can buy less and less goods. In July, inflation has been running at an unofficially estimated 20 per cent daily.

In Belgrade, a four-member family on June 28 needed 13 million dinars a day, statistics said. For the same basic articles on July 27, they would need some 180 million dinars—or an increase of 1,270 per cent in a month's time.

Shops change the prices twice a day, in the morning and in the afternoon, moving them up by anywhere between 100 and 700 per cent.

A toothpaste, for instance, is priced around 100 million dinars, the sum that exceeds half an average old-age pension.

Monthly inflation in July is predicted to exceed appreciably that in June which was 366.7 per cent up from May.

The Federal Republic of Yugoslavia (F.R.Y.) now has the world's highest growth rate of prices in the past 50 years, coming close to Germany's all-time record high in 1923.

The bulk of dinar bills end up in the street markets where hard currencies are increasingly shorter and dearer because their influx has almost stopped when economic sanctions were imposed on the country 14 months earlier.

The U.N. Security Council imposed a blockade on the F.R.Y. late May, 1992, because of its alleged involvement in a civil war between local Moslems, Serbs and Croats in the ex-Yugoslav republic of Bosnia-Herzegovina.

The F.R.Y.'s revenues from goods and service exports and foreign tourist trade and transportation have dried out, while capital influx from world banks has been banned. Demand for foreign exchange remarkably exceeds supply, threatening to deprive the national currency of any value at all.

Federal Prime Minister Radoje Kontic, in his inaugural speech early March, asserted that it would be impossible to bridle the price hike while the F.R.Y. was isolated internationally.

Not one step can be genuinely efficient, said he, before production revitalizes and foreign capital reaches the country.

Confronted with a monetary chaos, the federal government has announced short-term measures. Working together with the republican governments of Serbia and Montenegro, it will make urgent moves to put down the soaring prices, it was made public on Monday.

The government of Serbia simultaneously announced that its bodies would from now on treat those responsible for unjust price increases as war profiteers.

SDA Leader Claims 'Quiet Ethnic Cleansing' in Sandzak

AU2707162493 Belgrade BORBA in Serbo-Croatian 23 Jul 93 p 6

["Z.I."-signed report: "Less Democracy—More Autonomy"]

[Text] Belgrade—"The platitude of the current Yugoslav authorities that the prevailing state in Sandzak is neither one of war nor peace is inaccurate. A quiet ethnic cleansing of Muslims is going on. Eighty thousand of our countrymen that have left Sandzak are a result of the Serbian and Montenegrin authorities' efforts and pressures in this area," said Rasim Ljajic, secretary general of the Party of Democratic Action [SDA] for Sandzak, at yesterday's press conference in the Belgrade International Press Center. According to him, the repression is increasing, while a differentiation along ethnic lines is beginning to take place in Sandzak companies and, particularly, in state organs. Ljajic claims that the Sandzak police has been ethnically cleansed because the Muslim policemen have been transferred to Serbia and their posts have been taken by local Serbs, so-called "trainees" (after a two-month training course they become policemen).

"We are afraid of what happened to the Bosnian Muslims, because the authorities have already begun insinuating that we are arming ourselves, and a media satanization of Sandzak has also started," stressed Harum Hadzic, the chairman of the party's Main Committee, and said that they wanted a peaceful solution of the Sandzak issue within Yugoslavia. However, not with the current authorities whom they do not trust, and which they are going to bring down with the help of domestic and foreign democratic forces, added Ljajic.

The SDA leadership claims that the memorandum is just a basis for talks and not some firm and irreversible document of secession. At the end, Rasim Ljajic did explicitly say that the less democracy there is in Serbia, the more autonomy the Muslims would demand for Sandzak.

Kosovo

Serbian Regime Continues To 'Plunder' Economy

AU2707143093 Tirana ATA in English 0824 GMT 27 Jul 93

[Text] Tirana, July 27 (ATA)—[The] Serbian regime continues to destroy, as well as plunder the economy of Kosova. Nine modern machineries, which were sent to "Krushnik" Enterprise of Valeves in Serbia were plundered in a "Trepce" factory in Skenderaj. This plundering, which was carried out by the Serbian police, cost this factory and the Kosovar economy over 33 million German marks. Serbian clampdowns have long since been exerted in this factory and 300 Albanian workers have been dismissed from work.

Vojvodina

Gunmen Wound SPO Deputy Djukanovic in Novi Sad

LD2607141793 Belgrade TANJUG Domestic Service in Serbo-Croatian 0909 GMT 26 Jul 93

[Excerpt] Novi Sad, 26 Jul (TANJUG)—After fists and truncheons driven by hatred, the Serbian Renewal Movement [SPO] has become a victim of deranged, still unknown gunmen, says a statement released today by this party's municipal committee for Novi Sad after an attempt on the life of SPO deputy Ivan Djukanovic.

Djukanovic was seriously wounded after receiving several bullets in the legs and arms in front of the "Cepelin" cafe in Novi Sad. Official investigation bodies have not yet released any statements on the incident, although it has been unofficially learned that a warrant has been issued for the arrest of three suspects. [passage omitted]